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Mercredi 30 janvier 2008

**Standing committee on
finance and economic affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Wednesday 30 January 2008

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Mercredi 30 janvier 2008

The committee met at 0846 in the Holiday Inn, Guelph.

PRE-BUDGET CONSULTATIONS
COLLEGES ONTARIO

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. The committee is pleased to be in Guelph for today's hearings.

Our first presentation will be by Colleges Ontario, if you would come forward, please.

Ms. Linda Franklin: Good morning, everybody. Thank you very much. When I was here a couple of days ago—this isn't déjà vu—I was representing Ontario's Workforce Shortage Coalition. Today I am here in my capacity as the president and CEO of Colleges Ontario to talk to you a little bit about the college story as it relates to the economy and the needs of our workforce.

Much of my presentation today will focus on the workforce challenges in Ontario, so a bit of resonance from our presentation as the workforce coalition; also the poverty challenge and how the colleges in Ontario are going to be central to the province's strategies in both these areas.

Let me start by saying how pleased we were with the recent throne speech commitments to a better-educated and more highly skilled workforce in Ontario, an Ontario that provides opportunities for all. Obviously, from the post-secondary sector we can't imagine a more important set of investments in our province and a more important way to recognize the needs of our economy going forward.

We were also pleased that the fall economic statement spoke about the importance of a diversified economy and a highly skilled workforce and actually recognized the work of the workforce shortage coalition.

As the government noted in its fall statement, more than 90% of the new jobs created from 1997 to 2006 went to people with post-secondary education. That number won't change; in fact, in the coming years it's predicted that over 70% of all new jobs will require post-secondary education. So that focus on the government's part on education and the continuing focus on post-secondary education is critical to our workers, to our social justice agenda and to the economy.

Ontario also recognizes—correctly, we think—that far too many people are stuck in the poverty trap. Again,

post-secondary education has a really critical role to play in addressing that issue.

As Premier McGuinty has recognized, the key to success for so many people who are struggling is access to education and training. With the right skills, the right knowledge and improved self-confidence, people can put their difficult pasts behind them.

In our budget submission, we have taken a page out of some of the budget submissions to past governments and told some personal stories. I'd like to read you just one that I think epitomizes everything we have to say about the role of post-secondary education in addressing poverty.

In the late 1990s, Richard Aub, an unemployed father of four boys, was reading to one of his sons late one night when the son said to him, "Daddy, that's not what the words say." Confronted with the reality that he couldn't read, Richard turned to Cambrian College for help and enrolled in the literacy and basic skills program. From there, he went on to the pre-technology program, followed by aviation maintenance, relying on the college's food bank, their counsellors and emergency loans to support him. Today, Richard is an apprentice aircraft maintenance engineer. He volunteers for the Boys and Girls Clubs of Canada and he leads literacy groups for children.

That's one story, but the colleges have thousands of those stories, which talk about the dedication and commitment of people to make better lives for themselves and the power of a college education to help produce that.

We think we have a pretty key role to play: From poverty to retraining to filling our future labour needs, we have an essential part in addressing these challenges. Increasing the education and skill levels of people from all walks of life and income levels can ensure that more people find stable, well-paying jobs, and it ensures that they're employable over the long term. Providing greater access to college education, training and retraining is essential if we're going to address the economic challenges facing us.

As many of you know, colleges in Ontario struggled through years of underfunding. We were pleased when the province announced in 2005 that funding would increase under the Reaching Higher plan. Colleges received about \$270 million of that \$6-billion package, and we believe we've invested those dollars wisely and

well and created new programs and improved accessibility to colleges. But we have to be clear: The job isn't done. It takes a long time. As the former minister, Mr. Bentley, said to us, "We didn't get into this hole overnight and we won't get out of it overnight." It takes a long time to turn the ship around, and there is still work to be done.

There continues to be pressure to produce more college graduates, and yet our colleges still receive the lowest per-student funding revenues in the country. It's also lower—our per-student funding—than that provided to high schools and universities by a substantial amount. Real operating funding for colleges on a per-student basis last year was 16% lower than in 1992-93, while college enrolments were 20% higher. No matter how you look at it, whether it's in comparison to other education sectors, historically or interprovincially, Ontario gets less funding per student at the college level.

We also face unavoidable cost pressures, including salary implications of wage settlements and the rising costs of goods and services, utilities, maintenance and taxes, like so many other organizations and institutions do. Furthermore, the anticipated extension of collective bargaining rights to part-time workers and staff at colleges is expected to place significant additional pressure on college budgets. Many colleges are also—I think in a good-news story—facing significant cost pressures because of the recent surge of enrolments. Just like universities, colleges are facing more and more interest in a college education, and that means more and more pressures to provide faculty, programming, housing and classrooms. An independent study showed that colleges need about \$700 million to bring their facilities up to standards as well. Like all institutions, we're facing the challenge of aging infrastructure. The college system is 40 years old, and in some cases, our boilers and roofs are 40 years old.

So you can imagine that we were quite delighted yesterday with the government's announcement of an additional \$65 million for college education and training. That money will go a long way to help us start addressing it, and I know there are some in this room who were particularly influential in helping make that happen. I can't tell you the relief with which the colleges greeted that announcement because frankly it did a lot to keep the wolf from the door and to fix some really essential things. I think there was a great deal of time and energy on the government's part spent trying to make sure that that money could be flexible enough to do what needed to be done at college campuses. The funding will also help colleges address cost pressures created by increasing enrolment along with the costs associated with evolving technologies, because you can't train a workforce on outdated equipment; it's just critical.

Improved funding to colleges will also help us in a number of other areas.

Reaching out to underserved populations: We really believe that one of the big, important solutions to the workforce challenges facing us in the future is finding

out how we reach those students who never go on to post-secondary education, who either don't finish high school or don't take post-secondary training. We believe many of those students are very reachable. There are programs going on right now between high schools and colleges that demonstrate that many of those students can be reached. There are programs in the aboriginal community that show us that those students can be reached. That is a very large, important labour pool waiting for us and waiting for the opportunity to do their best and make the most of their skills and talents.

Continuing pilots and programs to help integrate internationally trained immigrants: We think colleges have a big role to play in figuring out how to help that integration go smoothly, how to coordinate services and how to make sure that, frankly, we don't put immigrants through 18 tests of English instead of one and 18 processes to evaluate skills instead of one. We're doing a lot of work with the government right now on streamlining those processes, standardizing them so that immigrants have a clear and easy path through, and we think that work needs to continue.

Finally, marketing the importance of college education and training: Last year the government provided \$1 million for the sector to start providing marketing to help the public understand the value of a college education, the value of training and education in skills and, frankly, to overcome some prejudices people have about the only route to success being a university education. We're very hopeful that funding will continue because we think there's a big job to be done. In the brief chance we've had to get out in the marketplace, we can demonstrate statistically that it makes a difference.

We also think that investing more in colleges will help the government realize its agenda on many fronts. For example, an investment of \$40 million for college labour market programs would allow colleges to make significant progress in targeted areas: skills training for employability; apprenticeship expansion, which is key on the government's agenda; and transition support programs, which we think are critical to help the colleges deliver on Employment Ontario programs and services. Lots of folks who take advantage of those programs need support not just on the education front, but also in manoeuvring and getting through all of the various things they need to get through to really access those programs successfully, and we think transition help is critical in that area.

The Chair (Mr. Pat Hoy): You have about a minute left.

Ms. Linda Franklin: Thanks, and I know you run a tight ship, so I'll be done in a minute.

Colleges need stable, long-term capital investments too, and we think that's something the government should look at, particularly now that we're consolidated on the provincial books. So some kind of stable, reliable capital funding in the years coming would be a huge help for the colleges.

Fortunately, we think the province is well positioned to invest in colleges and training this year. We know there have been big investments to date. But Ottawa, of course, is transferring more than \$300 million in new dollars this year for post-secondary education. It's a continuous transfer with a 3% escalator. We think it's essential that this new money be used to strengthen post-secondary education and training. And the province will be receiving more than \$190 million in new funding for labour market training, which we think, again, will help us invest in new programs.

With these proposed investments, we think colleges can ensure that more people have access to the education and training they need. We think we can help Ontario meet its commitment to strengthen the economy, to retain unemployed workers and to help our most disadvantaged get back on their feet and become well employed.

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

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning will go to the official opposition.

Mr. Toby Barrett: Thank you for the presentation and coming again to talk to us about community colleges. Many of us are concerned about the economy and the challenges we may have to meet in the future. Obviously, continuing to invest in post-secondary education is key, along with a smarter taxation policy and opening the door to more venture capital and innovation and creativity.

I'm just wondering, and I'm thinking of other countries that have done a good job: To what extent is Ontario's community college system integrated with business and government as far as meeting the challenges of—you mentioned the global economy. How are we doing that way, beyond just instruction in a classroom or in a shop?

Ms. Linda Franklin: I think at the moment we're pretty highly integrated with the business community. We develop programs and curriculums mostly in concert with advisory groups of business leaders. Last year, we had the fellow who is in charge of the UK skills challenge agenda at a conference, and he actually said to us that the single biggest advantage that Ontario has that no other jurisdiction in the world has is the community college system, precisely because of that level of integration that you mentioned.

I think, though, Toby, as time goes on, one of the big challenges we face is business saying to us, "Look, when workers are laid off, when people are suddenly out of a job, how do you provide quick retraining?" Surely we should be able to be standing at the doors of the Windsor plant when people are laid off, saying, "You know what? We have programs that will help you, and they will help you immediately." So I think one of the challenges the colleges are going to answer to from the business community is that intakes in September, January and April probably won't do the job for folks who have a mortgage and a family and who need work tomorrow,

and we have to become a lot more nimble and flexible in how we address some of those immediate needs.

Mr. Toby Barrett: I think of one example. We've had testimony from people involved in the forest industry, and we're not up to speed; I think we're not doing as good a job as we can to compete. I just read an article where in Finland, government, business and the technical education system have focused on making Finland a world competitor. They're running out of wood. They access wood, believe it or not, in China, India, Brazil, and they can do that because they have focused on technology. They know how to do it.

We have a challenge with our forest industry, for example, or manufacturing might be another example. Is the college system able to rev up overnight and partner and address some of these very serious issues?

0900

Ms. Linda Franklin: Yes. Certainly the forestry sector is an excellent example for us. We have colleges up in areas that have a fairly important investment in forestry. In fact, a fellow who's a CEO of a very large forestry company is actually the chair of the board of Confederation College. So we work very hard to maintain those community links. The short answer, I think, is yes, when there are challenges like that in the economy, particularly in communities, it's the strength of the community college system that we are highly invested in our particular local community. The college can turn around on a dime, frankly, and make sure that there's retraining available.

The biggest challenge, really, is when folks are trained for one job—I think there needs to be some way of identifying what their core skills are so that when they move from, say, forestry to mining, you don't have to start from scratch with them; you can say, "All right, what core skills do they have that are relevant to mining and what gaps do we have to fill in with education so that their transit through the education system back into the workforce is much faster and not repetitive of their skills?" That's something we're working on now.

Mr. Toby Barrett: As far as the local economy, a number of years ago I visited, I think it was called the University College of Cape Breton. There were tough times in the Sydney area and that part of the country, and the instructors there explained to me that, in a sense, teaching and learning were almost secondary. Their students, the whole organization, were out in the community working hand in glove on issues with the local economy, trying to literally create jobs, doing community development, doing economic development. Do we have any models like that in Ontario? I think we have a need for something like that.

Ms. Linda Franklin: Absolutely. I think the colleges do as much economic development and social work, frankly, as they do education and training in a lot of the communities. I'll give you an example that I think is different but complementary. Humber College has a program in a particularly difficult area of Etobicoke with kids who are not in school, are not employed, who are

struggling, and they work with them, with their counsellors, with their trainers, with their educators; they use their business partnerships to find them work. I said to the head of Humber College, "Well, what's the goal for the college? Where's the post-secondary part of that?" He said, "Are you kidding? We're not interested in getting them into post-secondary. They're not nearly ready. We're trying to get them to a place where they can hold a job for six months, develop some skills, develop some understanding of how to work well over the course of time, and over time we will build for these students a different sense of attachment to the workforce. Eventually, we believe we'll get them to post-secondary, but our goal right now is just to help the community and its youth in a time of trouble." So I think there's a lot of that kind of work that goes on at colleges that is looking more at the community needs we can serve.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO SECONDARY SCHOOL
TEACHERS' FEDERATION, DISTRICT 18

The Chair (Mr. Pat Hoy): Now I call on the Ontario Secondary School Teachers' Federation, District 18, to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Mac Howson: My name is Mac Howson. I'm the president of District 18, OSSTF, the Ontario Secondary School Teachers' Federation. As the name implies, we are a secondary school teachers' federation, but there is more to it than that, because we represent a majority of the educational sector within the Upper Grand. Within this district, we have over 1,700 members, most of whom are teachers, but we do have professional support staff personnel as well as other support members like educational assistants and office, clerical and technical people. The office/clerical/technical and the educational assistants are also under our umbrella with the Wellington Catholic board, as well as with the Upper Grand District School Board.

The purpose of my presentation this morning is to keep in the forefront for the government that education is a priority for this particular government and to remind the government that the cutbacks in education from 1995 to 2002 had a devastating impact on the educational sector and it has not yet fully recovered. I think we are well on the way to a positive recovery from that, but it is not yet achieved.

As outlined in the preamble that you have in front of you, the funding formula created in 1998 removed the right to generate funding revenue through local taxation, so the government controls virtually all of the education expenditure.

Secondly, the government has limited funding based too closely to just enrolment, excluding other factors such as building spaces and locations. Because of the enrolment changes the funding formula has not kept pace

with these changes, creating staffing shortages in support staff areas in many schools. That will be my general focus today, the support staff.

It has also become clear that the loss of other student support personnel has had a negative impact on students. The backlog of assessments along with the lack of permanent social/youth workers in the school has weakened the school's ability to serve all of the students in a timely manner. Even with the infusion of revenue within the past year, boards are having a difficult time keeping pace with the expectations and new initiatives such as the student success program, credit recovery, credit integrity or safe and inclusive schools, which is the new Bill 212, which was announced a few short months ago and will be fully implemented in just a couple of days, at the beginning of February 2008.

Safe and inclusive schools need appropriate and substantial support staff. Inflexible funding in Upper Grand, for example, has led to a decrease in our PSSP—that's our professional support staff personnel—the members within OSSTF. Those are the speech and language people, the youth workers and psychologists, for example.

In addition to the specific recommendations of this submission, OSSTF is recommending this government take major action to address the educational funding crisis in Ontario immediately to restore local priorities, learning opportunities and the declining enrolment grants.

In this submission there are numerous issues that are presented that affect the educational sector, and many recommendations are also suggested. I'll briefly highlight those priorities that locally affect us the most in Upper Grand.

On page 3 of the brief: From the onset of the funding formula, the benchmarks used to fund salaries in virtually all job classes were significantly lower than actual salaries paid by the school boards. The government, using their own research, found that the teacher salaries alone were underfunded by at least 8.3%. The direct impact of this funding shift has been a reduction in service available to students, mainly in the form of a reduction in school support staff. The funding shift also reduced the percentage of salary. The total reduction in funding was approximately \$600 million.

The net impact of this, which is highlighted, not only—and I will only highlight a couple here: the reductions in support staff and other student support personnel and the last one, increased workloads for many support staff who support classroom teachers and school and board administrators and, most importantly, the students.

The two recommendations from that that I would like to highlight are the immediate introduction and full replacement of the funding of the three previously mentioned grants, and, number 4 on that sheet, to add an inflationary index based on the Ontario consumer price index.

On page 4, teacher staffing: Since Bill 160 was introduced, a stream of legislation has been systematically

introduced, and eventually repealed, to try to regulate the number of teachers in the school system. School boards spend time and effort determining the minimum number of staff needed to function. We would recommend at this point that a further investment must be made to teacher staffing.

I will be skipping some of these because of the time constraints. Obviously it's a very large issue, or many large issues within this, having to do with special education on page 5. Special education, by its very nature, must be funded where the services are needed and to the extent that the student requires them. Changes had significant impact on provincial programs. We would like a more proactive approach taken to this. Recommendation number 9: Funding for preventative programs needs to be increased for this proactive model.

0910

On page 6, the school foundation grant: It is time to discuss the importance of schools as communities, especially at a time when safety, student success and student disengagement are the focus of the government's educational platform. We do applaud some initiatives that have been taken, such as Bill 212. However, a further recommendation is that there should be an essential minimum level in a school regardless of the size or enrolment of that school.

Number 13: separate funding for casual staff in the office clerical, technical, plant support and PSSP job classes.

Skipping to page 8, the underfunding of student credits, one of the central goals of the government's educational agenda is increasing student achievement that is measured by credit accumulation. This is one way of measuring, but not the sole way, and this seems to be a basis of the funding model.

On page 9: The Pay Equity Act is intended to correct the historical undervaluing and lower pay for work performed by women and men in female job classes. Our recommendation is that the government must establish funding for pay equity settlements.

Since time is limited, I'll skip to the back. The final three pages summarize an extensive list of recommendations by the Ontario Secondary School Teachers' Federation. I would welcome questions on that.

Generally, funding must be increased in order to maintain the quality of education that is expected by our communities and demanded by our communities. Thank you very much for this opportunity to present our concerns and our suggestions to you. I'll entertain questions.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP.

Mr. Michael Prue: I think teachers generally are appreciative of much of what has happened in the last four years by the Liberal government. But if there is one single failure, in my view, of an otherwise good policy, it's leaving the funding formula absolutely static and in place. What does the OSSTF think in terms of how the

funding formula—I saw what you said here, but how fast should the government be acting on this?

Mr. Mac Howson: There is always an immediate need. It's looking at the generators of that funding, and right now it is too narrowly defined and based on school enrolment. We believe that it should be broadened beyond that and looking at more of a broader base. Our belief is that, yes, teachers can be a focal point, but a school is a community and you have to look at it as a more broad-based community, which draws in more funding.

Mr. Michael Prue: You are asking here for about \$2 billion, if I can do the math pretty fast in my head.

Mr. Mac Howson: Yes.

Mr. Michael Prue: The government is also looking down the road in a year or so at instituting an expanded kindergarten program, which is going to be very expensive. Can they do both? Should they do both?

Mr. Mac Howson: The expansion at both ends of the educational perimeter?

Mr. Michael Prue: Yes. Here we are looking at a huge expansion in the education budget.

Mr. Mac Howson: I believe it does because society is demanding that expansion. I think there is a general level of value put on education, particularly in the primary grades. From a secondary vantage point, that has put more stress on our particular section of the educational sector. But, yes, it should be broadened. I think that answers your question.

Mr. Michael Prue: I wouldn't think a teacher would say anything else, but the government is also committed to poverty reduction and so many other fields. We had the colleges in asking for \$2 billion. There are a lot of asks here. Explain to the committee why education, which has already done fairly well over the last four years, should continue to get the lion's share of any new money.

Mr. Mac Howson: Yes, I have to say that we do appreciate the positive changes; however, there is a long way to go. I think that the main focus needs to be that it is proactive and that it is an investment in the short term as well as an investment in the long term, investing within the education sector. Those programs have immediate results, and obviously they'll have long-term results in more positive, functioning members of society.

Mr. Michael Prue: Thank you very much.

The Chair (Mr. Pay Hoy): Thank you for your presentation.

ARCHITECTURAL CONSERVANCY OF ONTARIO, GUELPH AND WELLINGTON BRANCH

The Chair (Mr. Pay Hoy): Now I call on the Guelph and Wellington branch of the Architectural Conservancy of Ontario to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Ms. Susan Ratcliffe: Good morning. My name is Susan Ratcliffe. I'm the president of the local branch of the Architectural Conservancy of Ontario, the largest citizen organization advocating for Ontario's built heritage. I'm here as a volunteer. I'm not paid. I wrote the brief myself. I have no paid staff. I thought you'd like to know that.

I'd like to quote from the Ministry of Culture tool kit called Strengthening Ontario's Heritage: Identify, Protect, Promote:

"We are at the start of a new era for heritage conservation in Ontario. After more than 30 long years, we can now say with conviction and pride that heritage truly matters in Ontario. At last, Ontario has what it takes to be a leader in protecting and promoting the irreplaceable heritage of this province and its people.... Now that the new stronger heritage act is in place, I am confident that the list of heritage sites across Ontario will continue to grow. We must educate our local leaders and the public to recognize and respect the importance of our heritage. We must show property owners and the business community that preserving our heritage makes good economic sense."

Those are the words of Madeleine Meilleur, the Minister of Culture who announced the new heritage act, Bill 60, in 2005. I have to tell you that the heritage community was euphoric, overwhelmingly, enthusiastically grateful to the McGuinty government for finally passing the act that has a fair process and objective criteria empowering municipalities in the province and preventing demolition of our historic sites.

Even Jane Jacobs praised that act. She said, "These changes to the Ontario act are long overdue, and I believe they'll have a significant positive impact on the province's heritage resources."

However, three years have passed. We thank you for coming to Guelph, for listening to all of these groups giving input into your budget process. I feel kind of privileged to be between OSSTF and the AMO, because I am a retired teacher and I am a volunteer for my beloved city of Guelph. I've been a walking tour guide for 20 years. I'm the archivist for the Guelph Historical Society. I'm a member of Heritage Guelph and president of the group I represent here. For none of those positions am I paid.

Heritage volunteers do our very best with passion, enthusiasm, dedication and hard work. We raise awareness through the Doors Open program, through Heritage Week, and we would have liked to do it through Heritage Day on February 18; however, that was renamed. We are putting on displays at the mall, and we train municipal councillors. But despite the great act, our work and our passion, Walnut Hall in Toronto was demolished, the Lister Block in Hamilton is in danger, the Brighton Public School is threatened, and the Loretto Convent here in Guelph teetered on the brink of demolition. Heritage needs more than passion; it needs the commitment of ongoing funding to individual property owners, to non-profit groups, to municipalities

for their heritage committees and to businesses for their heritage locations.

0920

The minister also said, "This is a historic moment for heritage in Ontario." We now "have the will and the way to ensure that our heritage survives and thrives for the benefit of present and future generations of Ontarians." But three years later, despite our will, we don't have the economic way.

It's time to fulfill the potential of the heritage sector. It has demonstrated value in many aspects of Ontario's life. For the environment, it preserves buildings, the tree cover and the natural environment. It conserves the physical resources. In my paper, I give you some facts that have come from research done by the Heritage Canada Foundation.

It creates meaningful employment opportunities and skilled jobs. There is an estimate that we'll need more than 900 stonemasons to repair our buildings in Ontario. It preserves traditional construction methods and crafts. It is a vital factor in urban and rural renewal. For our downtowns, under Places to Grow, it will be necessary to conserve the heritage buildings to create the density that's needed to meet those targets. And it is indeed the old urbanism. Why do we need to build in Markham and Newmarket and Mississauga the new urbanism when we have walkable communities right now in our downtowns? This will attract the "creative class," as Glen Murray calls it, with a beautiful heritage environment.

It's also vital to economics to strengthen cultural tourism and support local economy by employing local people. It also gives to Ontarians equity of opportunity to help with heritage resources so that it's not just people who can afford a heritage house who could then have the money to fix up their house or their business.

I've given you a list of what we're asking for: policy change to encourage repair and reuse of older housing stock; tax incentives and rebates; loans; money for heritage committees to update the inventories and designations; grants for volunteer groups to promote awareness; and money for municipalities to create programs like heritage façade improvement funding for downtowns.

I have in this envelope, if you need specific programs, programs that the government had in 1984, 1987 and 1989 that gave grants and loans, matching funds and endowments. So you don't even have to employ anybody to do any work. Here it is; you can photocopy it and issue the money. It's all done. All we ask is that you do it again. And they were both Liberal and Conservative governments that had those programs.

To conclude: While you're in Guelph, drive to the west side and see the flattened wasteland that was once the pioneer farm and house of the Mitchell family. Then drive through our limestone homes downtown and beautiful churches and old schools to see the potential of keeping that older urbanism. Look up to Catholic Hill and imagine when the Loretto Convent is a great

museum. And think of adding money to heritage conservation.

I'd like you to reflect, someday in the future—perhaps 50 or 100 years from now—when the world has changed beyond our imaginings, and yet the citizens of the future of Guelph will look into their past and realize the immense foresight it took for the government of the day to preserve the still-beautiful built heritage of a bygone era. You can help to make a present of the past to the future. It just needs a little money. Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mrs. Liz Sandals: Thank you very much, Susan. It's great to see you here today.

We don't have the benefit of your envelope, so I wonder if you could give us a little bit of information, a little bit more detail, about the sorts of things you would like to see included in a couple of areas. One is the area of financial incentives that would help private homeowners, for example, to restore or hang on to the heritage homes.

The second would be the major projects like Loretto, where you have to go in and totally retrofit and restore a building. If there were to be a capital grant fund—obviously that's an application sort of thing—what sort of criteria would you see the province setting up for major capital grants around heritage? Individual financial incentives and then major grants: What should the criteria be?

Ms. Susan Ratcliffe: I briefly listed on the second-last page of my brief the three programs. They varied from giving grants of up to \$3,000, which would be matching money for people to do things like restore a heritage port or restore the windows or the roof of a building. For many people, that amount of money would give them the incentive to do the repairs. We've had many people come to Heritage Guelph, our municipal committee, and say, "I'd love to do this, but it's expensive to do." So a small grant like that—I'm not asking for \$2 billion; I'm asking for small grants that homeowners could apply for. That kind of grant was given three times, as I said, in those years.

The federal government, in their wisdom, cancelled the commercial heritage properties incentive fund, the CHPIF grants, that gave up to \$1 million for commercial properties that were heritage properties. That's a large amount of money. A building like the Petrie building, which is a downtown building and the only building of its kind in Ontario with the stamped-tin decoration on the outside—if it could apply for an amount of money that would allow it to improve that façade, it could be kept. Pieces of it now are falling onto Wyndham Street.

In terms of the convent, it would be an infrastructure grant to rebuild a building that was built in 1850 and was the home of the first separate school system in Ontario. It will be a beautiful attraction in Guelph and create a museum and education centre that we would need. That would be a big grant.

Or you could give the Guelph Arts Council \$2,000 to print our new tour book instead of us having to go and find somebody who will donate the money to print that book. Our tours attract more than 1,000 people a year to downtown Guelph. We do bus tours and walking tours. Imagine if every little town—Elora, Fergus; I'm talking about the local area, of course—could have that: a tiny grant that would allow the volunteers to do the work they want to do, so they don't have to spend their time fundraising.

Those are the two kinds of little things—it's like microbanking; it makes a big difference to have a goat. That's the kind of thing that the small grants would do.

The Chair (Mr. Pat Hoy): Thank you. If you'd care to leave any information, give it to the clerk and he'll make sure the whole committee gets a copy of it. Thank you for your presentation.

0930

ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Chair (Mr. Pat Hoy): Now I call on the Association of Municipalities of Ontario to come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There could be up to five minutes of questioning, and I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Doug Reycraft: Thank you, Mr. Chairman. Good morning to you and to members of the committee. My name is Doug Reycraft. I'm the mayor of Southwest Middlesex and president of the Association of Municipalities of Ontario. With me this morning is Brian Rosborough, our director of policy.

AMO believes that there already exists around this table an understanding that the current state of municipal finance in Ontario does not provide municipal governments with the necessary resources for their immediate responsibilities, never mind those of the future. All three political parties represented here today share the understanding that the Ontario government's over-reliance on property tax revenues must come to an end. The municipal tax dollar is a dollar that has been stretched too far for far too long, with demands that are far too great. The result of that is the highest property taxes in Canada and deteriorating infrastructure.

A decade ago, this outcome for our municipalities was a foreseeable result of decisions that were made at that time. For too long, Ontario has stood alone in its approach to provincial-municipal fiscal relations. Being the province with the highest property taxes in the country is only part of the problem.

Municipalities are pleased with the progress that is now being made. A key milestone was reached last August when Premier McGuinty announced a timed, full upload of two entire, key social programs: the Ontario disability support program and the Ontario drug benefit program. As a result of that announcement, by 2011, the

province will have reduced its reliance on municipal property taxes by \$935 million a year.

In addition, the province has provided municipalities with a stable funding guarantee for the 2008 Ontario municipal partnership fund allocations. No municipality will receive less this year than they received in 2007, and surely those municipalities due to receive more will do so consistent with past government commitments.

Other improvements have been made as well, and I want to recognize those. Provincial public health funding has increased to 75% of the cost of those services. Provincial funding of land ambulance service is now actually at 50%. These provincial initiatives, combined with our ongoing joint review of how municipal services are financed in Ontario, are delivering results. The page is now turning on an era of unsustainable provincial-municipal fiscal policy.

In looking to the future, we have the opportunity to lay the groundwork and set out a path for a steadily improving fiscal and policy framework that delivers increasingly better results for citizens and communities. Through the ongoing Provincial-Municipal Fiscal and Service Delivery Review as well as the upcoming provincial budget, AMO is seeking to improve the quality of municipally managed human services in Ontario; to secure fair, accountable, honest and transparent provincial-municipal fiscal arrangements; and to ensure that investment in municipal infrastructure meets the current and future needs of Ontarians. Enhanced human services, stronger partnerships among service providers, and better-integrated services for clients: These are important objectives for AMO's members and for the people who live in our communities.

Addressing the issue of poverty is another key objective. We have families in our communities who struggle to make ends meet: people who are unemployed or living on fixed incomes; those with limited access to employment, child care or transportation; people who are homeless. These are people who live in our communities as well.

There are many and complicated reasons for this growing problem. AMO is particularly concerned about the impact of high property taxes on low-income families and seniors in Ontario. The provincial property tax credit provides some relief, but it's only a half-measure. A 2005 Statistics Canada report states that "in some municipalities, lower-income homeowners had a tax burden four or five times greater than their higher-income counterparts."

The federal and provincial governments boast that new adjustments to income tax rates will reduce the number of low-income families paying income tax. Yet in Ontario, the provincial-municipal fiscal relationship ensures that low-income families and seniors pay the highest property taxes in the country.

Municipalities want to be in a position to reduce upward pressure on property taxes. We want to be in a better position to fund the infrastructure and the other quality services that sustainable, livable communities

require. We want to have the fair and equitable arrangements between the provincial and municipal orders of government so that the right tax supports the right service. Beyond social programs, such as child care and social housing, there are other examples of where that fairness is lacking.

Municipalities supply a wide range of services to provincially owned, revenue-generating crown lands, for which the province does not pay. This problem is particularly acute in eastern Ontario, where crown lands cover more than 11,000 square kilometres. Local property taxpayers are unfairly paying for these services and subsidizing the province in the process.

The "heads and beds" levy that municipalities receive in lieu of property taxes for provincial institutions such as hospitals and universities has been frozen at \$75 per student or per bed since 1987. Indexed for inflation, the levy should be \$121. If based on the assessed value of the property, as is the case with other provincial properties, the payment to the municipality for municipal services would be higher still. In the meantime, the municipality subsidizes the province.

Another major concern is the cost of providing court security in provincial courts. This represents a \$125-million annual subsidy to the province by those municipalities that have provincial courts within their boundaries.

Fair and equitable arrangements between the provincial and municipal orders of government are key goals of the provincial-municipal review. The three examples I just listed are just a few where new, fair, accountable and transparent arrangements are required.

Forcing municipalities to subsidize provincial costs for health and social services has diverted billions of dollars every year from municipal infrastructure investment. How can this policy be reconciled with the need to strengthen the municipal infrastructure that provides a foundation for the provincial economy?

While there are varying estimates on how big the infrastructure spending gap actually is, all reports are unanimous in their conclusion: The gap is too large for any one order of government to bear. It's probably too large for one generation to fix. That gap will become unbearable if we do not begin to address the need for significant and predictable investments now.

The damage is visible. The public sees it in our streets, and the business community measures it in terms of lost opportunity. Roads, bridges, sewer and water systems, transit systems and recreation facilities—these are the things that make it possible to live and work across Ontario.

In competing jurisdictions, businesses large and small have access to the broadband infrastructure they need to remain competitive. Significant investments were made in last year's provincial budget to bring high-speed Internet service to underserved areas. Additional investments in broadband will provide economic benefits to small communities and small businesses alike. Failing to invest in municipal infrastructure, and undermining the

ability of municipalities to invest municipal revenues in municipal infrastructure, is a false economy.

The consequences include unsustainable growth. Growth should pay for growth. The Development Charges Act, as currently structured, forces municipalities and existing property taxpayers to subsidize development in Ontario. Until we see growth paying its own way, we will continue to undermine the ability of municipalities to invest in infrastructure and we will continue to undermine Ontario's competitive position. Reforming the act must be a key component to Ontario's future prosperity and environmental sustainability.

In the fall economic statement, the government announced that an additional \$800 million in revenue would be invested in municipal transit and other infrastructure; \$300 million of that additional funding is being used to fund the municipal infrastructure investment initiative. AMO anticipates that the applications for this investment will exceed, many times over, the available amount. Responding to that demand with any further future surplus revenues would represent a very wise investment for the government.

The business case for investment in municipal infrastructure is strong in any economic conditions. Failing to invest and systematically undermining municipal capacity to invest in municipal infrastructure has harmed our economy. Gridlock, environmental degradation and failing transportation networks have not made Ontario stronger.

0940

Investing in municipal infrastructure strengthens the economy. It reduces the barriers that businesses face, and it stimulates economic activity directly through construction, and the multitude of large and small employers that supply the inputs to stronger and more sustainable infrastructure.

As we establish a provincial-municipal fiscal relationship fit for the 21st century, let us recognize both how far we have already come but also how much further we still have to go. Meaningful and sustainable change will take time. Guided by a common vision, together we will continue to improve a relationship that is so vital to the success of this province and to its communities.

Thank you. I look forward to any questions.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Toby Barrett: Thank you, Mr. Reycraft, for your presentation on behalf of AMO. We've had a number of municipalities testify over the past week and a half. In northern Ontario there was one community, I think it was 300 or 600 people—tough times with the decline in the forest industry. To use your words, they made it clear they do not have the necessary resources to meet their immediate responsibilities.

I just want to make a local pitch. Myself and Mayor Trainer represent the Haldimand-Caledonia area. In the last two years I haven't heard a skilsaw, or a nail being pounded in anywhere in Haldimand county. And this is the plan; development has been shut down for two years.

There is no building at all and very little business activity.

To the west, a little closer to your area, you would be aware of the meltdown of the tobacco industry. Norfolk county—Mayor Travale—has potential for development but no water availability. For water and sewer there is no money. Neither county is eligible for gas tax funding because there is no public transit.

So through your organization, I'm asking for some advice off the top. Does AMO have a SWAT team that can go into areas where virtually every mill town is shut down within 500 miles? Should the Ontario government be able to rev up when we have these crises here and there throughout the province of Ontario? Again, I was thinking specifically of the two counties that I represent.

Mr. Doug Reycraft: Mr. Barrett, as I think you know, I come from a rural part of the province as well—

Mr. Toby Barrett: Next door, yes.

Mr. Doug Reycraft: If we had such a SWAT team, I certainly would be pressuring them to get involved in southwest Middlesex as well.

I mentioned in my comments this morning the fact that if we look back over the past 10 years and look at the billions of dollars that municipalities in this province have had to use for health and social programs, which are funded by provincial governments through income and sales taxes in other parts of the country—if municipalities had been able to use those billions of dollars to fund infrastructure investments, we would have areas that are more conducive to economic development and better able to support new industries and businesses that want to establish in our community.

Unfortunately, that hasn't been the case. We've had to divert those monies away from infrastructure investment and use them to pay for those health and social services. At the same time, we've had to ratchet up property taxes to the point where Ontarians now pay \$237 per person higher than the average Canadian in property taxes. The lack of money for infrastructure and the highest property taxes in the country produce a situation that is simply not sustainable for this province.

Mr. Toby Barrett: I know that there was an initiative a number of years ago that did subtract \$3 billion in education costs off the property taxes that we pay. Is it time to have a major revisit of that model?

Mr. Doug Reycraft: The thought went across my mind as I listened to the OSSTF presentation earlier this morning about somebody suggesting that we go back to those days of the 1980s and early 1990s, when municipalities across the province were, at that time, clamouring for a different fiscal arrangement because of the excessive burden of education costs on the property tax. So I do not encourage a return to those days. That would not allow us to increase our investment in infrastructure, nor would it help us to relieve that upward pressure on property taxes.

The Chair (Mr. Pat Hoy): You have about a minute.

Mr. Ted Arnott: Thanks, Doug, for your presentation. It was well done and well said.

You alluded to the fact that in the fall economic statement, the government announced a significant investment for municipal infrastructure. I have it here. They indicated that they would be making \$900 million in funding available shortly. Our municipalities were quite excited about that but were disappointed when they found out that the pool of money they're eligible to apply for is only \$300 million, as you rightly pointed out: the municipal infrastructure investment initiative. Again, this is kind of a lottery-based program, I'd call it, where municipalities are being asked to put forward applications with no assurance as to whether or not they'll be funded. They've been told that they'll be funded with 100% of the amount if they're lucky enough, and I'm getting calls from municipalities in my riding, asking me if they should be lowballing their request so as to have a better chance of getting money and seeking my advice in that regard. Quite frankly, I think the government has to be more forthcoming as to how they're going to administer this program fairly, so that every municipality has an opportunity to receive money.

As we know, the federal gas tax is shared with all municipalities, large and small, whereas the provincial gas tax is shared only with the municipalities that have transit systems, which is unfair to the rural and small-town municipalities that don't have public transit systems. Of course, they have transportation systems that they have to maintain. I would ask for your response to that in terms of AMO's position on whether or not the municipal funding programs should be made available to all municipalities so they have a greater assurance of provincial support going forward.

Mr. Doug Reycraft: Let me say initially that we welcome the additional \$300 million that is available for the municipal infrastructure investment initiative. I recall from my own experience how much pressure there is on finance ministers when there are surpluses mid-year, how much pressure there is particularly from health and education for new investment in those areas. So we were pleased that that additional \$900 million was made available for transit and for other infrastructure across the province. One of the good things about this program is that the application process is a quick one. The application form itself, I think, is two pages, so it's not the onerous burden that some of these competitive, application-based programs in the past have been.

While we welcome the additional \$300 million for municipal infrastructure, we think there is a need for long-term infrastructure funding from the provincial government, similar to the federal gas tax, for which municipalities do not have to spend a lot of money and a lot of time filling out applications, waiting for months until learning whether the application has been approved or not, and in more cases than not being disappointed and left in the situation where they're actually worse off after the announcement of the approvals than they were before because of the costs they've had to incur to prepare the applications. So long-term entitlement programs like the federal gas tax are ones that AMO definitely encourages.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

0950

INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

The Chair (Mr. Pat Hoy): Now I call on the Interfaith Social Assistance Reform Coalition to come forward, please. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I'd ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Brice Balmer: My name is Brice Balmer, and I'm the secretary for ISARC. Greg deGroot-Maggetti is with me, and he's with ISARC on the board, and also with the Mennonite Central Committee Ontario. He has more of the economics; I have more of the grassroots struggle with what it means to work with people who are poor. I'm not going to read the paper to you. I'd just like to make some comments and hope that it opens up to a larger discussion.

ISARC started in 1986 when the Liberal government at that point did the Transitions report, which for many of us was a benchmark for looking at a number of things, such as the stigmatization of poverty and how there were some myths out there that were not true, what it would mean to really change the province so we wouldn't have long-term poverty and how we might move ahead into the future. ISARC was born out of that because the Liberal government of that day asked the faith people to come because the faith communities had been such a major part of establishing health, education and social services in our province. Ever since 1986, we've continued to discuss with governments the situation of the most marginalized people in our province.

ISARC congratulates the provincial government on its formation of a cabinet committee and the appointment of a cabinet minister to consult with Ontario's citizens and to construct an Ontario poverty reduction strategy. Elimination of poverty is complex and requires many ministries, so we're very happy that there's a cabinet committee. We're also glad about the extension of dental benefits and the hope that a comprehensive housing strategy in the province is going to move forward.

ISARC really is appreciative of the educational efforts and the forward thinking, trying to work toward a future Ontario. We need to have a good current Ontario, but we need to have a very excellent future Ontario. So some of the early years, the JK, SK, the public education programs and university and college training systems are very, very important. The problem we see is that when kids come to school and they don't have enough food and they live in unsafe housing, they do not get the advantage of the increased programs. So ISARC has been looking a lot at what we call the social determinants of health, and we see that many of the social determinants of health are missing for these children, for their families and also for single adults. We would encourage the province, now

with this Ontario poverty reduction strategy, to really look at the social determinants of health to make sure that we meet those so that people can take advantage of the education services and get to work and make a quality Ontario.

The faith communities in Ontario have been a major provider of services and provider of charity, especially food banks and emergency assistance, but we are burning out. We thought these were temporary measures, and so we established them, but now Out of the Cold has been going for almost 20 years in Ontario. More and more churches and faith communities, synagogues and mosques as well, are saying, "We can't continue this." Some of our volunteers are older; they don't want to be there overnight. We're also asking, "Why are we using our money for things that the province should be doing?" We're also very, very upset that some people are coming into the Out of the Cold program, and I speak mostly for Toronto and for Kitchener-Waterloo, when they have full-time jobs—and they still need to use the Out of the Cold program. What's wrong in our province that a person who has a full-time job cannot provide for their own well-being and take care of their own responsibilities? That's the kind of question we hear being asked.

Ontario has had a fiscal deficit. The province has worked at that. Ontario also has a social deficit which needs to be addressed. There's a growing gap between the rich and the poor in our province. While the wealthiest 10% of Canadians have gone over the top in terms of increased income over and over and over again through all of the past years since 1975, the other 90%—especially the other 80%, from 0% to 80%—have maintained almost a steady purchasing power. Their purchasing power has not gone up unless extra people in the family work.

ISARC calls attention to several budgetary items which we think are very, very important to increase our capacity as a province—and we certainly support what AMO was saying. We're also working with the Federation of Canadian Municipalities, which is saying the same things: that several issues really need to be addressed at this point.

The first issue is income security. At this point, ODSP people have 83% of the purchasing power they had in 1995, before the cutbacks—well, they didn't get cut back, but before the Harris government did what it did. The Ontario Works people have 64% of the purchasing power they used to have. I go on to describe that and also to describe some of the ways in which the different ministries need to work together, because in the end, if a person goes to work, they may end up with only 20 to 25 cents on every dollar of wage they earn if they're on ODSP or OW and live in affordable housing. They earn even less than that if their kids are getting OSAP or are getting bursaries for schools. So we propose that the budget begin a substantial increase in OW and ODSP as well as making sure that those programs are transitions into employment and build up the financial equity of the recipients.

Second of all, affordable housing: We've had some real ups and downs on affordable housing. I don't think we've gotten it right by any stretch of the imagination. If you have affordable housing, you can deal with some of the poverty issues and you have a stability that's very, very important. Again, a lot of people don't have it. The homelessness is increasing or maintaining the same numbers. So we think it's important for the province to put in new provincial monies for affordable housing units, for updating the current units and fixing the existing units, and for an effective strategy to decrease homelessness in our province.

Third, one of the issues you might not expect us to raise is that a lot of the people who are marginalized have jobs that are through temporary employment agencies—they're contract positions, they're temporary positions, they're seasonal positions. These have the least amount of regulation, and there are not enough people out making sure that those jobs are regulated. What we hear over and over again is that the people who are in those jobs, except for some who are quite wealthy, actually don't have the financial wherewithal, they don't have the social or the personal sense of pride or *chutzpah*, to really talk to employers about things that are going wrong. We hear of people who are waiting for two and three months to get their severance pay; or people who are never paid for a period of time; or people who just don't get money for their last two weeks of work; or many, many things—people who are paid less than the minimum wage, partly because they're doing contract work.

So ISARC recommends that the budget include substantial monies to increase the Ministry of Labour budget, both to look at labour regulations in a 21st-century world and also to enforce labour regulations.

ISARC has done *Lives Still in the Balance*; all of you who are MPPs have a copy of this somewhere. It is a social audit of the last four years. There are a number of recommendations in that book around dealing with poverty. We think it's a very important thing to have done, and we probably will do another social audit in about three or four years.

We also invite all of the MPPs to the April 16 religious leaders' forum, which will be at Queen's Park. We will be talking about the poverty reduction strategy and hopefully bringing people in from Quebec to talk about how Quebec has worked on this.

The government of Ontario has addressed the fiscal deficit over the past four years. It is now time—in fact, past due time—to address the social deficit in our province. To be a prosperous and healthy province, all residents must have the necessities of life. The most marginalized should not be dependent on the charity of the faith communities and, in a sense, the municipalities, as we just heard. They need the dignity of being able to assume responsibility for their lives and their families. I must say, working with people who are poor much of the time, they really feel the depression and the angst about not being able to take care of their own family or take care of themselves. They wish they could do that, and we

need to find a way to do that. This is their human right as defined by the United Nations in the covenants which the governments of Ontario and Canada have signed.

The Chair (Mr. Pat Hoy): Thank you. Your time has expired.

Mr. Brice Balmer: That was 15 minutes?

The Chair (Mr. Pat Hoy): Ten minutes.

Mr. Brice Balmer: Oh, okay. I didn't have anything else to say.

The Chair (Mr. Pat Hoy): Okay, good.

Mr. Brice Balmer: It's hard to keep a preacher to 10 minutes.

The Chair (Mr. Pat Hoy): I thought you had practised and wanted to know that it was exactly 10 minutes.

Mr. Brice Balmer: Thank you.

The Chair (Mr. Pat Hoy): Now we'll go to Mr. Prue and the NDP.

Mr. Michael Prue: I can't disagree with a single thing that you had to say, but all of this, of course, costs money. You were here this morning. You probably heard the teachers ask for \$2 billion, you heard the municipalities ask for money, and of course this will require money too. How do you propose the government get it? Where is the money going to come from? Do you advocate increasing taxes or cutting out other programs? What do you advocate?

Mr. Greg deGroot-Maggetti: Some of the measures we're calling for are the same measures that you heard in the previous presentation. The crisis around the lack of affordable housing needs provincial funding, so we're not asking for anything different in that respect than the Association of Municipalities of Ontario. Rebalancing how taxes are collected, taking it off the property tax, certainly makes sense in that respect. Raising the amount of income that we raise through provincial taxes would make sense to fund these kinds of things.

1000

Mr. Brice Balmer: ISARC is not opposed to raising taxes, especially among the wealthiest people. The faith communities are very deeply concerned about the gap between the rich and the poor. It's increasing and increasing and increasing. When I was reading Bill Clinton's autobiography, he talked about how part of what he did in the US was to put a tax on the wealthiest Americans. We've now heard that the wealthiest Canadians pay 30%, the poorest Canadians pay 30%, and those of us in the middle pay 35%. Why is it that there isn't more tax on the wealthiest Canadians? I think it's because of a lot of tax loopholes. But ISARC is not opposed to raising taxes. In fact, we've said it's all right to raise taxes at this point.

Mr. Michael Prue: You talked about a substantial increase in OW rates. We've had many deputations on this, some saying double digits, some saying at least 10%, some saying a 40% increase in OW rates. What does ISARC recommend?

Mr. Greg deGroot-Maggetti: Well, we recommend a couple of things—three, really.

First, there does need to be a substantial increase in rates. That's what we hear from the constituents that we work with across Ontario. So double digits would not be inappropriate.

The second is that they need to be indexed to the cost of living, the consumer price index, like Quebec and Newfoundland have done as part of their poverty reduction strategies.

But then the third is how rates are set. There has to be a logical and objective way to set them so that they meet basic norms of adequacy, so that as we move forward and adjust those rates to be adequate, they should at least be linked to the cost of rental housing in communities, the cost of a nutritious food basket and other essentials. So those would be the three things that we'd recommend. We don't have a specific percentage increase for raising rates, but I would say that we would agree with at least a double-digit increase.

Mr. Brice Balmer: One of the other things I would say, Michael, and Leeanna Pendergast and I have both been on the community safety and crime prevention council here in Waterloo region, is that kids who are causing a lot of problems in Toronto and other places were seven years old when the welfare rates went down 21.6%. That means those children, now youth, have lived in dire poverty ever since they were seven years old. They have not been able to participate in schools like they should have been able to and have not been able to do a lot of other things that they should have been able to do.

So when we start balancing, do we want to do more police services or do we want to really go back and start to look at what is prevention and what is really addressing the problem so these kids don't end up where they've ended up? I think we really need to take a hard look at that, because we don't need more police in the Waterloo region; we need the programs in the community centres, we need an adequate income for their parents, and we need ways that those kids have hope. If kids have hope, they won't be doing crime. So I think we need to be very clear about where our priority is. Do we put more in police and then have a police state, or do we put more in crime prevention and adequately addressing the issues so that parents can take responsibility for their kids and start to do something positive in this province, so we have wholesome people who are graduated from high school?

Mr. Michael Prue: The poorest of the poor communities in Ontario tend to be First Nations. There has always been this jurisdictional argument: "That's federal, that's this, that's that." Should the province simply be doing what Quebec already does and many other provinces are doing, simply saying that they are Ontarians as well and start funding those First Nations communities in the same way that we would every other community?

Mr. Greg deGroot-Maggetti: That's a good question. I would say that at the very least, the province should release the money for off-reserve First Nations housing

that hasn't been used to build housing yet. There are other measures. I was in Moose Factory the other week talking to the grand chief and deputy grand chief of the Mushkegowuk council, and they pointed to the problem of the very, very low Ontario Works rates that impact those communities too. So there are some of these measures that need to happen to help First Nations communities both on reserve and off reserve where the province has a responsibility to act.

The larger question—I don't have a simple answer for that, but it's a very good question to raise.

Mr. Brice Balmer: I'm going to go wider. We met with 25 in 5 on Monday, and there were about 250 people there: 25% reduction of poverty in five years. One of the big issues is the racialization of poverty, and I think it behooves the government and all of the people in the Legislature to really take a look at how poverty has become racialized. That's partly why we're also looking at labour standards—how all people can get jobs. The aboriginal population is one of those racialization issues that I think we need to be very clear about. We cannot have that in Ontario any more.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

For the committee, our 10 o'clock has cancelled.

DEREK GRAHAM

The Chair (Mr. Pat Hoy): Now I would call on Derek Graham and Peter Williams to come forward, please.

Mr. Derek Graham: Thank you, Mr. Chair. My name is Derek Graham. I'm a professional surveyor. I'm familiar with at least two members of your committee, aren't I?

Interjection.

Mr. Derek Graham: And Ted. Thank you. Mr. Williams is storm-stayed north of Shelburne.

Welcome to Wellington county on its most breezy day recently.

I don't propose to read what you have in front of you and what has been sent to you, to your constituency and to your QP office. It's a very complex issue—a number of them. But it's basically the apparent disconnect between the services required, asked for, needed and the management thereof, and how they've been delivered. I could go on, as the honourable Deputy Speaker knows, about one particular area. He's been very helpful, as has Ms. Sandals, in listening to myself and Dr. Linders about our concern about the land registration system in Ontario that traditionally, as reported to the House, used to make a profit of \$18 million to \$31 million per year, and yet it appears to us that the services being delivered and the costs therein have just skyrocketed.

I don't know how many of you are members of the bar or practise real estate, but the concept in Ontario is that it wasn't until 1867 that there was a necessity to register an interest in land, and yet interests in land were created. Professional surveyors must go back to the time when the

parcel was created initially and bring it through to today to see if the parcel is described today as it was pre-1867, and all the parcels in between were identical, and then to relate that out on the ground.

One of our great difficulties—I added that, and make it quite clear that the individual shown on the picture on the last page is quite a competent individual. It was not his doing that caused the records in Wellington county to be thrown out. That is a great and serious shame.

So, Mr. Chair, I'm basically saying that I don't want money. I don't want money. I'm glad that that brings smiles to a number of your faces. I'm suggesting quite strongly, as I have, that the Provincial Auditor, now the Auditor General, be brought forward on this and other issues that I've mentioned to do a value-for-money-spent audit as opposed to a mere audit. The Provincial Auditor has been doing a great job, the Auditor General is doing a great job, but the value for money spent does not appear high on the priority. You've got your money; let's see how it's being spent.

The Chair (Mr. Pat Hoy): That concludes your presentation?

Mr. Derek Graham: As Ted knows, I can keep going.

The Chair (Mr. Pat Hoy): Right, okay. We'll move to questioning, and it is the government.

Mrs. Liz Sandals: That would be me.

Mr. Derek Graham: Uh-oh.

Mr. Ted Arnott: I'd like to be in government.

Mr. Derek Graham: It can be arranged, Ted.

The Chair (Mr. Pat Hoy): I thought he was going to say something.

Mrs. Sandals.

Mrs. Liz Sandals: Thanks, Derek. Ted and you and I are having an ongoing conversation, obviously, and we have the benefit of having spoken to you previously and understanding some of your underlying concerns. But I think it actually should be helpful if you could back up a bit and explain to the other committee members some of your concerns around land titles based on surveys and how we're sort of getting away from the underlying survey, which I think is your underlying concern in all of this.

1010

Mr. Derek Graham: That is one, yes.

Mrs. Liz Sandals: So I think it might be helpful if you sort of explained some of our concerns to the committee.

Mr. Derek Graham: Okay. Brevity is the soul of wit, so that may be—

Mrs. Liz Sandals: Yes, so you have to get this very concise.

Mr. Derek Graham: Think of the world, Mr. Chair and fellow members and your support staff, as a checkerboard. A solicitor, a lawyer, practising real estate law opines on the quality of the colour of the square. The surveyor must opine on how big the square is and how it has to fit. So that information must be readily, ably found. In the Guelph registry office the staff work very

well, but they're up against a raft of microfilm. So if I'm searching title of a property in Ted's hometown, in behind the Anglican church, it took me three days. Prior to that, prior to the electronic registration system, I estimated it would take me half a day. It appears that the costs of delivering the present service—we keep funnelling money into this private sector-public sector organization. So the clear ability to get the information isn't there.

It is said, "Oh, well, we only have 1% error in this system." Yes, in the colour part of it, because all you're looking at is paper. A lawyer must go back 40 years; a surveyor must go back to the creation of the parcel. As I said in my presentation here, I'm doing something up on Highway 6 and it's back in I think 1861 that I'm looking for something. And that was a long and tedious search back through a multitude of microfilm records. It's my belief that in the Brantford registry office, this material is available on disk. So there's an inequity across the province of the ability to get information.

If Mr. Arnott asks me to go and search something for him, I don't know how long it's going to take. "Mr. Graham, what do you mean, you don't know how long? Don't you know what you're doing?" After about 50 years of this, I'm getting more of a clue, and I can't tell you how much it's going to be. It used to be \$5 to look at the abstract index for a particular lot. I was searching title next desk to the Honourable David Tilson at one time and it was nine township lots: nine times five is 45. Today a minimum per parcel is \$8. I had 65 parcels in those nine township lots. Do the math. So it's 65 times eight, which the honourable member will be able to do faster than I, and yet the system isn't delivering what it should.

So I'm not asking for money. I like that smile. I'm suggesting that value for money spent in that program, the RAQS program and Ontario Realty—I keep calling it public works—you're spending too much money to hear the slap of the beaver's tail or the nail being driven down in Haldimand county.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

GUELPH NON-PROFIT HOUSING CORP.

The Chair (Mr. Pat Hoy): Now I call on the Guelph Non-Profit Housing Corp. to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Sandra Ferguson-Escott: Thank you very much, Mr. Chair and honourable members, for allowing us time. I just want to make it clear up front that we are asking for money. Hopefully that doesn't wipe the smile off your faces. It's nice to see friendly faces and familiar faces as well from our locality. I know there's a lot of understanding here.

I'm Sandra Ferguson-Escott. I'm a member of the non-profit board. With me today is Harry Blinkhorn. He is the housing operations manager; that's for purposes of expertise and skill, as opposed to just talking. I am new to the board. I enjoy the board. I will apologize right upfront: I've been up for 24 hours due to a little bit of an emergency in my business, so I'll try not to slur any of my words or anything else.

First of all, I'd like to say that we have four requirements. We have given in our handout and some of my speaking notes, just so that nobody forgets what we're asking for—and a few statistics. We are here to request additional funding for non-profit housing.

Our first request is that we need new units beyond what we currently have. We would like 100 new units to help support those in need who are on a very long waiting list. We would like capital costs of between \$85,000 and \$90,000 per unit so that at the end of the build-out we'll have a manageable mortgage.

We would like an increase in the current capital funding allowance. This is going to be used to eradicate the impending deficit for both our existing and new units that will be available.

We need a 10% increase in the current operating allowance to be used for proper maintenance and upkeep of the current and new units that will be managed to avoid a slum-creating environment.

We also need funding to enable our housing to meet the Accessibility for Ontarians with Disabilities Act, with which we want to comply. We have clients who require this. We want to meet these needs, but we do not have the existing funding.

The Guelph Non-Profit Housing Corp. was officially incorporated in 1988 with the primary objective to provide and operate housing accommodation primarily for persons of low or modest income. We currently have 545 units, 82% of which are subsidized and 18% of which are at the market rate.

Applicants qualify because of income, being at risk or having serious medical problems. A great number of our applicants are seniors who have no family support, who are starting along a disability issue or problem, and a lot of them also have social isolation. This is our clientele whose needs we are trying to meet.

The Non-Profit Housing Corp. works with the community and community partners to address and supply affordable housing. This local activity is clearly in support of the provincial goal of achieving a high quality of life for all Ontarians. ReNew Ontario is a five-year infrastructure investment plan which incorporates an investment of more than \$600 million by 2010 in new affordable housing investments. This is our first ask: We do want part of that money.

In the award-winning Places to Grow initiative, the goal of sustaining a robust economy, building strong communities and promoting a healthy environment is paramount to its success. Places to Grow clearly states: "Investment in community infrastructure—such as hospitals, long-term-care facilities, schools and affordable

housing—should be planned to keep pace with changing needs and to promote more complete communities. In the case of housing, there is an underlying societal need for affordable housing in many municipalities that is heightened by growth pressures.”

We are a community with severe affordable housing investment needs, both for capital and operating.

Firstly, as we all know, the economy is splitting between the haves and the have-nots. All the while, the housing requirements in low-income segments are not keeping up with the need.

1020

Guelph is a growing community, and there’s a diminishing supply of multi-unit housing. Construction companies and builders are not interested in building multi-unit facilities when single-family homes are what is supplying their needs.

The apartment vacancy rate has declined from 2.8% to 1.9% in 2007, which is the lowest rate since 2001. Residential construction in total is at its lowest since 1998. Additional investment requirements have been placed upon us to meet the needs of the accessibility for Ontarians act, and we believe that is a critical need. Unpredictable programs for new units do not allow us to support an infrastructure. When a program comes out, you need to do your reports, you need to do your investigation, yet we do not have the infrastructure that will allow us to jump on these programs as quickly as we need to to avail ourselves of them. The programs are sporadic; you don’t know when they’re coming. You can’t build up your employee base with the expertise that you need to respond to them.

Not only does the current funding not address the short-term operational needs, but it’s well known that the long-term requirements for capital funding will be in a deficit position within the next two years, growing to monumental proportions by 2030. In our city alone, it’s going to be a deficit of \$32 million by 2030.

Our request is simple: Keep the funding levels for the daily needs of our current affordable housing clients; invest additional funds to ensure the long-term support and sustainability requirements are met, both on an operational and capital funding basis; and then insert further funding to allow the growth of the program to meet the needs of those who currently wait on our list for assistance.

Please do not believe that the current economic times will automatically bring into line the needs of those who so greatly need our support and assistance. Only the right investment will allow those in need to in turn give back to their community. An individual or family should not be required to make the choice between food and housing. It’s not valid, and it puts us all at risk.

The Chair (Mr. Pat Hoy): Thank you for your presentation. This round of questioning goes to the official opposition.

Mr. Ted Arnott: I want to thank you very much for the sincerity of your presentation and for coming in today, because it is very important that the committee

have the benefit of your views. I’m sorry I was dragged away for a minute there to speak with my constituent who had made the previous presentation, but I did have a chance to hear the tail end of what you had to say.

I would certainly agree with you that the provincial government, with its poverty agenda, has raised an important issue that is going to require a lot of discussion during the course of the next three and a half or four years, and the whole idea of poverty benchmarks to demonstrate improvement is something that is going to be a positive reform. I’m interested in more details from the government. So far, we have a new minister who’s been charged with this responsibility, but we’ve heard very little in terms of detail till this point in time. Certainly, those expectations have been raised. Have you had a chance to meet with the new minister who is responsible for this new agenda?

Ms. Sandra Ferguson-Escott: No.

Mr. Ted Arnott: Because I’m sure you’d want to have that opportunity to meet with her and give her the local information as to what—

Ms. Sandra Ferguson-Escott: We would love that.

Mr. Ted Arnott: I would hope that that would be forthcoming.

What sort of consultation do you think would be most appropriate for the new minister so as to allow the groups and individuals who wish to participate in this discussion to have that chance and opportunity?

Ms. Sandra Ferguson-Escott: Certainly from my perspective—and I’ll ask Harry to comment as well—it’s extremely important that the consultation is at a grassroots level. The people who manage the housing know better than anybody the problems that come from managing aged housing. The funding for operational is remaining barely level, yet the buildings and the grounds are getting older. As that happens, you need to up your investment into your housing so that it does not become overrun with problems. If you don’t keep up your maintenance, then you’re going to create an environment that is good neither for the clients nor for the people who are trying to manage it. So my input to that would be right at the grassroots, right at the people who are responsible for the managing of the housing on a day-to-day level.

Harry, can you add to that?

Mr. Harry Blinkhorn: I think you said it very well, Sandy, but I would add that residents also have a very big stake in this and they should be included in the discussion as well. It’s extremely important that they feel they have been heard and are being elevated in their needs.

Mr. Ted Arnott: Do you have anything further you’d like to add? I know the time constraints are such that sometimes people have additional points they want to make. Do you have any additional suggestions or advice? No? Thank you very much, once again, for your presentation.

The Chair (Mr. Pat Hoy): Thank you.

WELLINGTON WATER WATCHERS

The Chair (Mr. Pat Hoy): Now I call on the Wellington Water Watchers to come forward, please. Good morning. You have 10 minutes for your presentation. There could be five minutes of questioning following that, and I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Mike Nagy: Absolutely. My name's Mike Nagy, and I'm representing the Wellington Water Watchers today. It's safe to say that we are representing over 600 people, and we formed just under one year ago. Our mandate, you can see on the attachment. Basically, we are a volunteer organization focused on protecting groundwater resources, promoting tap water and dealing with provincial policy. We've given input into provincial policy already, and we've met with a senior policy adviser to the Minister of the Environment on water.

Today we would like to talk about four main priorities that we would like the finance committee to consider, and that's with regard to tap water; the environmental farm plan; the Ministry of the Environment and the MNR; and highways. I'll go through this list with you and then welcome questions. So thanks very much for having us speak today. It's very much appreciated.

On tap water, we'd like to emphasize that tap water is actually safer than ever and always was pretty safe in Ontario. Ever since the Walkerton situation, it's much safer, and the public generally does not know this or have this feeling. This is a concern to us. Bottled water, as you can see, is being served here as a beverage, and I'm really happy to see that there's tap water on the table. We have concerns over the perception of tap water, and a provincial campaign is needed to reassure the public on the safety of tap water as a safe and high-quality thing that they can access.

Bottled water creates an enormous amount of waste which has been downloaded onto already financially strapped municipalities, and this is a great concern, including greenhouse gas emissions from the manufacture and delivery of bottles and the entire industry itself.

The province possesses a tremendous opportunity for influencing the public on energy use, food choices and all sorts of things. Through financial incentives and disincentives, we believe the province can play a tremendous role in promoting tap water as a better alternative. We would like to see the province fund and go back to the returnable bottle system that was in place for decade after decade and was very successful in Ontario, and that would be for water and pop and other beverages.

We'd like to see a tax levy put upon one-time water bottles and other one-time beverage bottles. This is very important. The province needs to step up and really go after waste in a real way, and that's heading it off at the front of the pipe.

We'd like to see the subsidizing of reusable stainless steel or aluminum bottles. We believe that every school-

aged child should have one of these. Instead, we have pop and bottled water being dispensed in public school, and fountains have been removed; fountains aren't maintained properly. This isn't acceptable. We have children growing up who think that clean water comes out of plastic bottles.

We'd like to see an increase in the levy on water taking by bottlers. This levy was introduced last year but amounts to approximately two-millionths of a cent per bottle. Bottlers are taking a public resource and commercializing it for profit. We don't believe in this, but first of all, we'd like to see a levy put on—the equivalent of about 10 cents per bottle—to have a true impact on reducing the amount of bottled water being consumed.

More importantly, the province has a tremendous ability for public campaigns, and we believe in launching public TV ads similar to ones on energy conservation and all sorts of other things that are done. We believe the province can take a lead role in promoting tap water as an environmental and best economic choice for its citizens. We would be very pleased to assist in any way if the province requested our help in developing such a campaign.

1030

The environmental farm plan is an extremely important and very successful program, which is primarily federally funded but it's a joint provincial-federal campaign. We would like to emphasize that this is one of the best ways that farmers can help protect groundwater and groundwater resources. Those who participate are very pleased with it. It's a tremendously successful program; however, participation rates aren't as good as they could be because there is just not enough funding for people to go to the farmers. It needs to be taken to the farmers, not the farmers going to the program. It is probably one of the single best examples of stewardship in the province—streambed rehabilitation, fencing and keeping cattle out of waterways. We would really encourage the province, which supports this program from a material and logistical point of view—photocopying and counselling—but more from a funding point of view, to dovetail with the federal funding because that federal funding is not secure.

I have a gentleman, John Benham, who works for the county; he's 77 years old. He's an example to us all of how we should live our lives. He's not going to be around forever, and he literally works seven days a week trying to promote this program, most of it on his own time. We need more people like him, funded by the province, who can take this to the farmers.

The Ministry of the Environment and Ministry of Natural Resources: This is of great concern. We believe that these two ministries are severely underfunded and require an immediate and long-term injection of funds, as they are ill-equipped to perform their mandated duties, especially in terms of enforcement and inspection. In April 2007, the Environmental Commissioner of Ontario, Gord Miller, released his special report called Doing Less

with Less. In this environmental audit, the commissioner found that “the budgets of MOE and MNR have not kept pace, in real terms, with the increased responsibilities of the two departments. Instead, there have been episodes”—and you can see this in the report—“of significant cutbacks” and, as I state here, “intermittent periods of partial recovery and long periods of constraint.” In fact, in 2006 constant dollars, both the budgets of the MNR and the MOE are significantly—18% to 34%—lower than they were 14 years ago. That’s on page 2 of his report.

Also the Ministry of Natural Resources is unable to carry out adequate numbers of watershed-based studies in order to provide proper assessments of the state of natural heritage systems and the cumulative—and this is very important—impact of all sorts of operations and activities. As the commissioner reported on page 11, the MNR has lost expertise with operating budget cuts, which includes hydrogeological expertise with respect to quarry operations. The MOE is generally understaffed and underfinanced, receiving a very small proportion of the provincial budget and relatively less than other jurisdictions, and this is inconsistent with the message that our government is trying to give. We can’t protect groundwater resources if we can’t enforce and if we can’t do studies. Particularly the permit-to-take-water process is not adequately vetted, and approvals are most often granted with one-dimensional data only. We support the commissioner’s recommendation for a “step-wise, strategic rebuilding of capacity at MOE and MNR to ensure that the ministries can fulfill their mandates.” It’s not fair to ask ministries to step up on something so important as groundwater, drinking water and protecting watersheds if they’re not funded to be able to do that.

Last, we’d like to address highways, and this is a very big issue in Ontario. There’s a move to put more and more 400-series and multi-lane highways in. I can’t emphasize enough that highways are one of the most serious threats to human health in our natural environment. These large and overly expensive structures compromise surface and groundwater for many reasons, such as the hidden area of massive amounts of gravel which are required to build these structures that we class as unnecessary: They sequester large volumes of water and, in fact, often contaminate that. The runoff from these motorways contains numerous contaminants such as heavy metals, toxins, salt and petroleum waste which contaminate soil, groundwater, and aquatic life. The physical footprint of these structures displaces food lands and natural features including wetlands and other natural water recharge areas.

We’re saying that all the billions of dollars for new 400-series highways do not need to be spent. Actually, we would prefer to see that money spent on public transit, education, and definitely light rail and things that are more environmentally supportive.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP.

Mr. Michael Prue: Wonderful ideas here. I can see right here in this hotel that they’ve got bottled water. We have some real water on the table for us, but for people in the audience here, they have to go get the bottled water. I am constantly amazed that people think it’s somehow better, purer or anything else. In fact, I think the water that comes from our taps is often of better quality. Would you comment on that?

Mr. Mike Nagy: Actually, I can comment on that directly. Bottled water is an unregulated industry. It’s classed as a food product. It does not have to meet the strict standards as does Ontario tap water. As a matter of fact, Ontario tap water meets some of the strictest standards in the world, and it is something that we should applaud. There are countries around the world that are just dreaming through the night of having tap water. They have to drink bottled water because their water is contaminated. Now we think that tap water is not good enough for us; we have to drink bottled water. It’s the ultimate irony; never mind the waste. The waste is a huge problem. We’re talking billions of bottles a year. We had a beautiful returnable system at one time.

Mr. Michael Prue: I want to get to that. In some jurisdictions around the world, when you see bottled water on the shelf, they’ll have a little sign that there’s a five-cent or 10-cent deposit on those throwaway plastic bottles, so they have to come back. Should we be encouraging that, or should we be going back to a glass container that can be used over and over again?

Mr. Mike Nagy: There’s no single better way to reduce waste and to influence consumption than at the front end. Here we have all of these waste reduction programs, but it’s all dealing with stuff at the end of the pipe, not at the front of the pipe. We believe that bottled water should come in coloured glass bottles so that it identifies from what watershed it’s from. Then it can also be returned and refilled, just like we used to do with all of our pop.

It wasn’t the consumer who got rid of that; it was actually the beverage industry that lobbied the provincial government in the 1980s and the early 1990s to get rid of the returnable system because they knew it was profitable to download that waste onto municipalities. We need to go to a returnable system for both pop and water.

Mr. Michael Prue: You are recommending that the province get into the game of advertising the safety of the water. I know that in the city of Toronto they do a lot of things; they have a facility that they truck from place to place where they can have water at the Beaches jazz festival, or down at the—

Mr. Mike Nagy: Yes, it’s called H₂O to Go.

Mr. Michael Prue: That’s the one. Should the province be funding municipalities to have that so that people will take advantage of water and not be forced sometimes to pay \$2.50 and \$3 for a little tiny bottle at public events?

Mr. Mike Nagy: I’m very heartened to hear that. That’s actually a tremendous suggestion. As Wellington Water Watchers, we’ve twice staffed a tanker, one which

was sponsored by the city of Guelph; one was sponsored by Guelph-Eramosa township and others. That was to dispense tap water donated by the city and township on a mobile basis at public events. But these facilities are very difficult to get. The H₂O to Go—or HTO to Go, they call it—is a very portable trailer, and those sorts of things could receive provincial grants so that municipalities can fund those. They would do more to promote a public resource than anything else.

Mr. Michael Prue: I am constantly amazed at the number of people who think that the water they're buying is better or that it tastes different. I have no idea. Has anyone ever done any studies, or is it just because you pay for it, and you pay a buck for a little bottle that you can pour out of the tap for a minuscule millionth of a cent?

Mr. Mike Nagy: You're asking some very good questions. They've actually done blind taste studies, just like the Coke and Pepsi challenge, and tap water has won almost every time. Toronto just received the third-best tap water taste in a North American international challenge. Toronto has a perception that it has dirty water, but its very deep Lake Ontario water is one of the cleanest. So tap water generally wins, even over bottled water. It's the packaging that you're paying for. There's a perception that goes with that.

There needs to be more education. If there is a taste issue, then the cities generally try to address that. I know that most municipalities do try to address it.

Our ultimate goal is to see chlorine phased out totally. If we protect our watersheds and do the things that we're asking here, generally we won't even require chlorine down the road. It's just more of a stopgap because of the Walkerton issue. The chlorine levels have gone up so high in some areas, as the pendulum has swung so far—we'd like to see that come back to a more reasonable level, with the long-term goal of eliminating it.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

1040

GRANT CHURCH

The Chair (Mr. Pat Hoy): I'm advised that our next presenter is not here yet but that Grant Church would come forward now. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I'd ask you to identify yourself for the purposes of our recording Hansard. We appreciate the fact that you're willing to come forward now. Go ahead.

Mr. Grant Church: My name is Grant Church. I live in Cayuga and I work in a stamping plant in Dundas.

Electricity impacts every aspect of our life and work in Ontario. Every product and service utilizes electricity, so the impact of higher energy costs has a compound and domino effect. Our price is already higher than in many other jurisdictions, and any further rise will bring serious economic damage to our citizens and industry. It now looks like Ontario will be last in economic growth both

this year and last. Your electricity plan would condemn us to a perpetual last-place finish.

In the fall throne speech, the Lieutenant Governor said, "Your government will replace coal, double renewables, double conservation and modernize our nuclear capacity." In the September 1, 2007, episode of Focus Ontario, Dwight Duncan, the then Minister of Energy, said that the Liberal government would double renewables and double conservation. In an August 29, 2007, letter, Premier McGuinty said, "Our plan to replace coal-fired generation will help Ontario reduce greenhouse gas emissions by up to 30 megatonnes."

At no time was it mentioned that the government was planning to more than double gas-fired generating capacity to a further 7,000 megawatts or to almost triple production from gas to 30 terawatt hours, which can be found in OPA documentation. The government is virtually replacing coal, megawatt for megawatt and terawatt hour for terawatt hour, with gas-fired power plants, and there is not a word about it from these three sources. Why are you hiding this? Why are you not being upfront and open? Is it because of the expense of gas-produced electricity or the reality that greenhouse gas emissions will not be cut by 30 megatonnes? With gas, the cut will only be about 10 to 15 megatonnes.

I'd ask you to turn to page 3. Natural gas production is falling in Canada and across North America. The National Energy Board reports that gas production will be down by 2.1 billion cubic feet per day, or 12%, by 2009. If you look at their graph here, they show three scenarios, and they're all tracking downward. Your plan would take about one billion cubic feet per day of gas to make electricity—we'd be down two billion in supply and up one billion in demand. It can't happen. And under NAFTA, we are bound to supply the United States; we can't simply cut them off.

Enbridge chief executive officer Patrick Daniel told reporters that there's a real scramble in the west to keep up with demand and that shorter supplies are looming: "When we say that we're expecting a shortage of natural gas, that of course is at a certain price to the consumer."

"A certain price"? Last year, my gas contract went from 19.4 cents per cubic metre to 34.8 cents—"a certain price."

Turn to page 4 and look at Canada's exploration treadmill: The amount of wells drilled quadrupled, maintaining flat production but sharply reducing reserves. If you look at the bottom graph, it shows that the NEB projections are in line and that gas production is falling.

On page 5, there are four scenario graphs, and the situation is worse than all four predicted in 2003.

On the bottom of page 6, you see a graph that shows the productivity of gas wells drilled in western Canada. Today it is one third less than it was 10 years ago.

Page 7: What will this do to the price of gas, which is already so high? CIBC World Markets estimates that the gas price will be \$12 to \$14 per million BTUs by 2015, double what it is now.

Why is gas so expensive? The Americans built 200,000 megawatts of gas-fired capacity from 2000 to 2004, the equivalent of 50 Nanticokes. This was based on the National Petroleum Council's prediction that gas would be around \$3 per million BTUs through 2015. These plants ended the surplus of gas and put the market into a tight supply situation which tripled the price.

Page 9: What will happen to the price of electricity? The government electricity plan will cause a sharp price rise, but the Ontario Power Authority is severely underestimating the impact at only a 15% to 20% increase. CIBC World Markets estimated the commodity portion of the bill will rise 70%, to 8 cents per kilowatt hour.

In November 2005, after the hurricanes knocked out oil and gas production in the Gulf of Mexico, the Ontario generators were asking 14 cents a kilowatt hour. By December, Lennox was asking 19 cents per kilowatt hour.

At the bottom I've recalculated my electricity bill. I've added the 70% increase to the commodity portion, added an estimated \$4-a-month smart meter fee, and my bill goes up 34%. It's similar in other jurisdictions that I've calculated.

How will the government electricity plan affect the economy? As I drove through northwestern Ontario in June 2006, the newscaster started with, "Another day, another plant closing." This could have been repeated dozens of times since then as dozens of plants have closed and tens of thousands of people have lost their jobs.

The president of Dow Chemical in 2005 said, "High gas prices are wreaking permanent damage on the petrochemical industry"; August 31, 2006: "Dow Chemical is shutting down all its production at its operations in Sarnia ... and closing two plants in Fort Saskatchewan, Alberta."

Three years ago you heard from Weyerhaeuser. Since deregulation, the price of power has increased 36%. They also said we are the highest-cost jurisdiction from an energy perspective. They also asked that you keep the coal plants open to keep the price of power down.

In the fall session of the Legislature, it was mentioned by Howard Hampton that Inco was moving its copper smelting operations from Sudbury to Montreal because the electricity is much cheaper there. It is clear that we are being priced out of the market, and by closing the coal plants and replacing them with very expensive alternatives, the economy will be devastated.

Further, how is it that Premier McGuinty can come to Hamilton and offer Dofasco money to replace natural gas with coal and make them more competitive, while on the other hand he is replacing coal with natural gas, which will make all industry less competitive?

I have to skip over this section on the advancements in emission controls because of time, so if you could just turn to the last page.

Stéphane Dion, the federal Liberal leader and former environment minister, has promoted solving greenhouse gas problems with technology, even developing the technology and exporting it to the world. Al Gore, in his

documentary *An Inconvenient Truth*, never mentioned closing down coal plants, but he did point to carbon capture and said, "Watch this one."

A company called CO₂ Solution has perfected a concept developed at Laval University that uses a biological catalyst to isolate the CO₂ and immobilize it in an inert solid. It has been successfully field tested at a garbage incinerator. One of the most exciting technologies developed is using algae to absorb CO₂, which can be effectively used to make biofuels.

I hope you consider this report carefully. Will you take the course of action suggested by people like Stéphane Dion and keep our coal plants open, or will it be another day, another plant closing?

1050

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mr. Wayne Arthurs: Mr. Church, thank you very much for your presentation this morning. It was well documented and certainly gives everyone pause for thought as we look at all of the alternatives. Clearly, among the things the government has been doing over the past few years is putting some energy into renewables. When we took office, I think there were some 10 wind turbines in the province. Now there are probably well over 300, with another 400 being completed. The largest solar program in North America is being developed in Sarnia. So we're certainly looking to clean, green, renewable resources of energy as one of the strategies. The nuclear fleet is going to be either refurbished or, where necessary, replaced to continue to have the stable baseload of nuclear production in the province of Ontario as well.

Our objective, in part, as I'm sure you will be aware, as are others—we came to office in 2003. That summer, the lights went out, and more than once during the past couple of years we've tried to get in place a plan for a sustainable energy strategy and ensuring that the lights do stay on. They have to this point, and we have our fingers crossed that that's going to continue to occur. It's unlikely, in my view as a member, that we're going to turn our backs on the closure of coal plants as capacity allows that to happen. The early and, I think everyone would agree, very aggressive time frame was maybe ill-advised at that point. That had to be reconsidered as we've gone forward.

I appreciate your comments here. Specifically, you're saying that your preference would be to see us keep the coal plants in operation and attempt to make them better-functioning units than they are today. Is that a fair assessment?

Mr. Grant Church: Oh, definitely. The rest of the world is doing it. And there's no engineering problem to it. It's certainly a political decision. I had to skip over a whole section on emission controls, but I can tell you—in this case it happened to be a mining operation, but they used what they call an integrated sulphur scrubber, wet ESP tower, which has sulphur removal capabilities, along with superior particulate emissions. There used to be a plume

visible for 40 miles; it was eliminated. New Brunswick has installed this kind of equipment at their Coleson Cove plant, which was converted to get off oil and go to orimulsion, which is basically liquid coal, but Venezuela backed out and they had to go back to oil. Now get this: They're going to burn petroleum coke, which has greenhouse gas emissions that are 25% worse than coal.

But all those hazardous air emissions can be very readily dealt with. I've toured a plant in the States and seen it with my own eyes. It was beyond my wildest imagination how effective it could be. That company, Powerspan, was contracted by the US Department of Energy to develop their patented ammonia-based CO₂ removal system. It was developed and ready to go in two years, and now it's going to commercial deployment in Texas.

These types of things are happening all over the world. In Arizona, a company called GreenFuel is developing the use of algae, and an interesting thing happened: As they were scaling up the algae system—it's in a greenhouse; they built a greenhouse longer than a football field. There was a dramatic increase in the production. They figure that with this it would be, I believe, 80 times more effective than using corn or 140 times more effective than using soybeans to make ethanol. And with algae, from the lipids you make diesel fuel, from the starches you make ethanol and from the protein you make cattle feed. There may come a day when there could be companies wanting to locate near a power plant to get the CO₂. I think this is what Stéphane Dion sees: that there is potential, and this is what's happening around the world. I've got a whole book full of stuff with me, and all the government's plan will do is drive the price higher.

What will Weyerhaeuser do? They came to you nicely, they told you what was happening, how expensive it was to operate in Ontario. Are they going to stick around any longer? How many plants have we lost in northern Ontario? You got a testimony from NOMA when you were up in Thunder Bay and I think they were saying there's only one sawmill left running in north-western Ontario. You see what I'm getting at? It's the price.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONWARD WILLOW–BETTER BEGINNINGS, BETTER FUTURES

The Chair (Mr. Pat Hoy): I now call on the Onward Willow-Better Beginnings, Better Futures to come forward.

Good morning. You have 10 minutes available for your presentation. There could be five minutes of questioning. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Ms. Lorna Schwartzenruber: My name is Lorna Schwartzenruber, and I'm the program director of a community-based primary prevention program here in

Guelph called Onward Willow–Better Beginnings, Better Futures. We are an organization of community residents and partners working together to improve the lives of children and families in our immediate community.

I'd like to paint a bit of a picture of our specific community. We are a neighbourhood of approximately 1,400 families living in one square kilometre of northwest Guelph. We have the lowest incomes in the city, with many who are on various forms of income support, but a greater number who make up the working poor. We have the highest concentration of subsidized housing and rental accommodation, the highest percentage of single-parent-led families and the highest number of newcomers to Canada making a start in our particular community.

Ontario is one of the most prosperous jurisdictions in the world, yet we have a high rate of child poverty. When we hear stats like one out of six children live in poverty, that means families are living in poverty, too. We know this to be very true, as we see the faces of these statistics on a daily basis.

I'm here today to present to you on behalf of our community and the larger coalition of concerned people working in Ontario. What we want to present to you is that oral health should be a key component of any strategy to address poverty and health in Ontario. I'm not a dentist, I'm a community organizer, and poverty is a health issue because of the strong association between health and income. Oral health is of particular concern because, unlike medical care, dental care is not covered in the Ontario health plan.

No one in Ontario should be left in dental pain or with abscesses because of lack of funds, yet every day it happens: A teen or adult shows up in an emergency room of the hospital in terrible pain, but is sent home with a prescription instead of treatment unless they can pay for that treatment. Many cannot. The emergency room deals with the acute issue, at quite a cost, but the person is left with the problem, and it will come back. We know of new moms who have had an abscessed tooth and are trying to nurse their baby, but are in such pain that it impacts both mom and the baby. We see what happens to a family when there is no confidence due to a mouth full of rotting teeth as it impacts employment, employability, friends, community life, parenting and overall health.

Oral health is a real concern because, I will reiterate, unlike medical care, dental care is not covered by our Ontario health plan. We cannot ignore the importance of making sure that Ontarians have access to at least relief of dental pain, just as they do for other areas of pain in their bodies.

We know that oral health is an integral part of general health. There is evidence to link gum problems, or periodontal disease, to low birth weight babies, diabetes and stroke.

Canadian data suggests that Canadians experience a substantial number of days of lost work as a result of dental problems, and that 3.1 days per 100 children are lost from school because of dental problems. That's

referenced in a study from the University of Toronto. As stated earlier, oral health affects people's ability to even get a job and keep it.

In Ontario, there already exist a number of dental programs like CINOT, Ontario Works and ODSP that help with a specific group of low-income people. However, these programs exclude those who are working at low-paying jobs with no benefits, teens and seniors on a fixed income.

1100

I want to note that while it is important to get people out of pain, we need to look also at preventive programs for the long term that would offer the community preventive-type treatments such as cleaning and fluoride and fissure sealants as well as health information.

It is admirable and imperative for the government to enhance the social safety net for Ontarians by promising \$45 million for dental care for low-income families. It's great to begin to see some recognition of this need. But we are here today to encourage the government to follow up their political commitment toward a poverty reduction strategy and develop a means for low-income people to access the dental care they need and deserve. This does require designating funds, and that is where you come in.

Dental health is the window to the health of the rest of the body. Please commit to developing a program to support low-income families in achieving good dental health and thus good general health.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Ted Arnott: Hi, Lorna. Thanks very much for your presentation. I would agree with you that more needs to be done to ensure that all Ontarians have access to quality dental care and that oral health is prioritized. Certainly if the government has made commitments in that regard, you can expect the opposition parties to attempt to hold them to their commitment over the next three and a half years.

You were very modest about your program, and I was wondering if you could tell the committee a little bit more about what you do, generally speaking, in the community that you serve, the history of your program, so that the other members of the committee—I know Mrs. Sandals is well aware, but some of the other members may not be.

Ms. Lorna Schwartzentruber: Sure. I'd be glad to. Onward Willow—Better Beginnings, Better Futures began 15 years ago under an initiative of the provincial government, and our core funding is through the Ministry of Children and Youth. We are one of eight sites in Ontario who are dedicated to creating healthier lives for disadvantaged children and families. So that really is the focus. And as I painted the picture of our particular community, we are in a very high-risk neighbourhood. So the programs we've developed have developed in a very unique way based on a community development model, one that really works at creating a sense of ownership in the community and the community searching for solutions to those problems. As a result, the

community has developed all kinds of programs—preschool programs, Early Years-type programming, community development initiatives, community economic development initiatives, we have a whole after-school program and teen program—that are all geared toward supporting vulnerable and at-risk children. We serve probably over 500 families who live within our particular neighbourhood.

Mr. Ted Arnott: The government has announced a strong commitment to attempt to combat the problem of poverty in Ontario. I'm wondering if your organization has been consulted by the new minister responsible for that new government initiative. If not, how would you advise the government, and the minister particularly, to engage in appropriate consultation as she undertakes her responsibilities?

Ms. Lorna Schwartzentruber: We always welcome engaging in consultation and have been very creative at doing that. We have not specifically been engaged in that; however, we have been part of other coalitions that are engaged in a more active way. We work very closely with our member of provincial Parliament, Liz Sandals, in terms of looking for long-term solutions to supporting kids and families in our community and are always willing to work toward solutions.

Mr. Ted Arnott: Again, thank you for the good work you're doing in our community, and thank you for your presentation today.

The Chair (Mr. Pat Hoy): Thank you.

ONTARIO SCHOOL BUS ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario School Bus Association to come forward, please. Good morning, gentlemen. You have up to 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Angus McKay: Good morning. I'm Angus McKay. I'm treasurer with the Ontario School Bus Association and district director, and I operate Elliott Coach Lines in this community.

Mr. John Sharp: I'm John Sharp from Sharp Bus Lines. I'm vice-president of the Ontario School Bus Association.

Mr. Rick Donaldson: I'm Rick Donaldson, executive director of the Ontario School Bus Association.

Mr. Angus McKay: First, I just wanted to say thank you for the opportunity to present to you folks today. I recognize a couple of you around the table. My name is Angus McKay and, as I said, I am the treasurer and the director for OSBA, and operate school buses in and around this community. I am joined by John Sharp and Rick Donaldson, whom you've met.

The Ontario School Bus Association represents about 170 school bus companies, and we operate about 14,000 vehicles across the province. Together, we transport 800,000 students to school and back safely every day.

Our members are primarily family-owned businesses, with more than 60% of our members having 20 or fewer vehicles. We are proud that our members have long-standing ties to the communities which we serve. We are obviously advocates for safe, reliable student transportation.

You will have already heard from our colleagues on the funding model for student transportation in Timmins, and the issue of drivers' wages was presented yesterday in Kingston. Today, I want to focus on the impact of rising fuel prices for school bus operators. Our core business is getting the students to and from school safely. Obviously, the price of oil impacts us directly, immediately and mercilessly.

I've handed around a chart that shows the jump in the price of crude oil from January 2007 to January 2008. This time last year we were at \$55 a barrel, which we thought was high then, but not completely unmanageable. At the beginning of this month, oil hit \$100 a barrel.

How is this translating into prices at the pumps? M.J. Ervin and Associates provide the data for the Ministry of Energy's weekly Gasoline Report. They show that the price of diesel fuel in Toronto rose from 86 cents a litre to \$1.09 a litre over the course of 2007. That is a 26% increase in just one year.

School bus operators work hard to find efficiencies in our business, but absorbing a 26% increase in fuel costs in the transportation sector is just not possible. The government has recognized this and has made attempts to address increasing fuel costs. In March 2007, the Ministry of Education announced a one-time grant of \$7 million for the 2006-07 school year to address the oil costs, an amount of approximately 1% of its net expenditure. While the increase was certainly appreciated, it was simply not enough to cover the fuel price increases that we face every day when we fill up at the pumps.

What is more, not all of the operators even saw this increase. The student transportation budget is not sweated or enveloped and, as a result, some boards allocate increases in that area of their budgets to other priorities.

What we really need as operators is a formula built right into the funding model that rises or drops with fuel prices. I guess, in the meantime, before we get a funding formula, we need to continue getting recognition for the increased cost of fuel. It doesn't need to change daily. Monthly or even quarterly adaptation of funding to reflect fuel prices would be acceptable, so long as the dollars can flow to the operators fairly quickly. Regional variations need to be recognized, but again, we don't have to go overboard on this.

M.J. Ervin provides weekly and monthly data for a number of Ontario communities that the government uses in its Gasoline Report. This would provide a good basis for tracking fuel price trends. It should meet their transparent mandate, and it's broadly based.

As I said, the key thing is that the dollars flow to the operators quickly when there is a sharp upswing in fuel prices. Waiting until next year's school board operating

grants are announced is far too long. As operators, we have payroll, taxes, capital and operating costs, including our fuel payables, to cover, and they just won't wait for next year.

Critical to this is ensuring that the school boards pass along the funding to the operators. Enveloping the funds for student transportation would make sure this happens.

I know I haven't taken a lot of your time, but I'd be happy to take any questions.

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning goes to the NDP.

Mr. Michael Prue: Obviously, in any business, there is a whole bunch of costs. One of your costs is fuel, but also you have to pay the drivers, you have to buy buses and do the maintenance on the buses, and all the other things—paperwork. What percentage of your expenditures are fuel costs?

Mr. Angus McKay: For a typical operator, I would guess that hard fuel costs are in the 12% to 15% range. But the cost of fuel has a direct impact on maintenance because most parts are tied to fuel—rubber, tires, all those kinds of things. When the oil goes up, their prices go up as well.

1110

Mr. Michael Prue: I understand that, but what we're looking at here is 15% of the cost which could be controllable by way of your request to the government.

Mr. Angus McKay: Correct.

Mr. Michael Prue: I did notice in today's Globe and Mail that oil has been fluctuating: It did hit a high of \$100, but it's down to \$90. Has that given you any appreciable benefit?

Mr. Angus McKay: The oil prices will fluctuate with the price of the barrel, so yes, diesel is somewhat less now than it was at the start of the month. But our funding is still based on basically a \$55 barrel, so we're far behind where we need to be.

Mr. Michael Prue: Has the government given you any additional funding since it was \$55?

Mr. Angus McKay: No. As I said, they gave us a top-up in the 2006-07 school year, but we haven't seen anything for the 2007-08 school year.

Mr. Michael Prue: So that is part of your request here to this committee, that they do so?

Mr. Angus McKay: Yes, I think that would be fair to say.

Mr. Michael Prue: Okay. There was quite a good presentation yesterday in Kingston about bus drivers, their responsibility and how they're only paid about half what a transit bus driver would get in a city like Ottawa or Toronto—

Mr. Angus McKay: Or Guelph or Kitchener.

Mr. Michael Prue: Okay. Obviously you have many concerns. If the committee was to make recommendations, you would probably want us to make all of them, but is that a more pressing concern than the 15% of your budget that is limited to fuel? Or are they both equally important?

Mr. Angus McKay: They're all equally important. Fuel is the immediate cost that we can't hide from. Drivers' wages is obviously a pressing issue because of the turnover in the industry and the lack of the ability to attract quality candidates, which certainly affects all the parents of schoolchildren, all the kids and really everybody around the table. That's a tough question to answer because fuel is an immediate and pressing concern, but getting proper funding for driver wages is also an immediate and pressing concern.

Mr. Michael Prue: We're seeing a lot of cars and even some light trucks either getting more efficient or using electric motors as well. Is there any possibility that these could some day be used in the school bus industry? If so, would that help to reduce the cost?

Mr. Angus McKay: It would increase costs—anything's possible, I guess. What we would like to see is an incentive to invest in new technology, the newer, cleaner engines, so on and so forth, but the cost of buses continues to go up. The 2007 emission standards add about \$10,000 to the price of a vehicle.

Mr. Michael Prue: Really, that's my last question. What does it cost for a school bus these days? A 30-seater, the usual one.

Mr. Angus McKay: The full-size bus?

Mr. Michael Prue: Yes.

Mr. Angus McKay: Rough numbers, \$90,000 to \$100,000.

Mr. Michael Prue: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your submission.

GUELPH AND DISTRICT LABOUR COUNCIL

The Chair (Mr. Pat Hoy): I'm advised that our 11:30 is not here yet, but the Guelph and District Labour Council would come forward now. Thank you very much for accommodating the members here. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for our Hansard.

Mr. Terry O'Connor: Thank you and good morning. Thanks to the Chair and the committee for this opportunity to talk to you. My name is Terry O'Connor. I'm a member of the Communications, Energy and Paperworkers Union, Local 44, and also president of the Guelph and District Labour Council, which represents close to 6,000 unionized workers in this community and in the surrounding area.

I would like to focus my comments today on an issue that is very important to the labour council and its affiliates, that being the manufacturing job loss crisis in the country and in particular here in Ontario. I'm sure you are all aware of the statistics that have come out over the last while. We have lost close to 132,000 manufacturing jobs in 2007 across the country, with 64,000 of those jobs being in Ontario.

This is an urgent crisis that requires immediate action, instead of the short-term, narrowly focused community

development trust that will likely be hostage to parliamentary games proposed by the federal government. As a first step, labour calls on the federal and provincial finance ministers to strike a task force with high-level labour, government and business representation, with a mandate to report to first ministers before the next federal budget. The task force should consider how to reverse the alarming growth in our manufacturing trade deficit, including changes to our trade policies. The task force should consider how to increase productivity and value in Canadian manufacturing, including the resource-based sectors, through government support for new investment in innovation, machinery and equipment, and workers' skills. The task force should consider how governments might concretely assist Canadian manufacturers through "buy Canadian" public procurement strategies linked to new infrastructure and environmental investments.

We need a call for cuts to interest rates to help bring down the dollar. And we need positive reform to the Employment Insurance Act.

I know that the provincial government doesn't control all of these initiatives, but pressure must be put on the federal government from the provincial levels of government to have these kinds of changes start to happen.

The manufacturing jobs crisis is shrugged off by some commentators as of no great concern, given our low unemployment rate and booming energy and minerals sector. But manufacturing is a key creator of jobs in other sectors of the economy, is important across Canada, especially in Ontario, and is vital to our long-term economic growth and future.

In Guelph, we have not been immune to the problem of manufacturing job loss. The problem is not only for unionized workplaces but also non-union plants as well. In 2006, ABB, an electrical transformer manufacturer, closed its doors, putting close to 500 CAW members out of work. Also in 2006 and into 2007, Imperial Tobacco closed up shop and moved to Mexico, not because the plant wasn't profitable, but more to the point that it could make more money in Mexico. One word describes that move: greed. That decision cost Guelph over 1,000 members of the Bakery, Confectionery, Tobacco Workers and Grain Millers union.

A couple of weeks ago, 500 members of CAW at Collins and Aikman here in Guelph were notified their plant will close in April. Wood manufacturing, a non-union, family-run business in town for over 50 years, announced before Christmas that it will be downsizing by close to 300 workers. And just this morning, I heard on the news that another plant in Guelph is considering closing. And on it goes.

So what can be done? How can the government spend its resources to help with how Ontario deals with this crisis? We in the labour movement know that there are no easy answers to tackle the problem. I have talked about some answers already today.

Quite frankly, it's just too easy to shut a plant down in this province. We need new labour legislation that will

make it tougher to close plants, that will improve severance, that will provide pension protection for workers who are being laid off after giving the best years of their lives to their employer.

The government needs to hire a jobs protection commissioner, an effective jobs advocate to bring management, workers and government together to work through situations that could result in job losses. There are certainly a few initiatives the government could spend some money on.

Increased employment in other sectors has more than offset the number of manufacturing jobs lost, even in Ontario and Quebec. However, most of the jobs created in recent months have been part-time or self-employed positions, as opposed to full-time, paid positions. The jobs created in other sectors pay lower wages, on average, than manufacturing jobs.

Statistics Canada recently concluded that Canadian workers displaced by firm closures and mass layoffs who find other jobs suffer an average decline of 25% in annual earnings, implying a loss of about \$10,000 for a typical manufacturing worker. Given the disappearance of one quarter of a million manufacturing jobs, the total loss of Canadian earnings is now probably around \$2.5 billion annually.

One industry that has been directly affected by job loss in my union, the CEP, is the forest industry. The province must take a stand on rejuvenating the forest industry by recognizing that forestry could be one of the largest job-creation industries in the country and Ontario, if it was managed properly.

Clearly the Ontario government should invest in the development of new and innovative products provided by the forest industry. It makes little or no sense to me that we export our raw logs to the US or China where they manufacture the finished product and send it back to us. We have in Ontario the expertise and knowledge to manufacture wood products at a higher standard than anywhere in the world.

Ontario can no longer sit back and rely on the national statistics on job loss and job creation. The figures underline the continuing story of Canada's two economies: Alberta in particular continues to generate jobs and higher wages, driving up the national averages for both, while Ontario and Quebec in particular struggle because of the manufacturing and forestry crisis. Ontario's unemployment rate jumped alarmingly from 6.2% to 6.5% in December, a huge increase for a single month; Quebec has an unemployment rate of 7%. Both provinces are at the mercy of the manufacturing and forestry crisis and must react accordingly to help both industries.

1120

I spoke earlier about the government spending money to hire a jobs commissioner and also to consult with business, labour and educators about developing a strategy to find a solution.

I believe that educators in the high schools could play a large role in preparing students with the education and training needed to fill the new technology jobs, and that

community colleges could be used to retrain those workers displaced by plant closures.

I'm going to wrap up my comments by urging this committee to take to heart what I have tried to communicate to you today in my presentation. I have confidence that government, business and labour can work together to find a solution to this large and difficult problem.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Ms. Leeanna Pendergast: Thank you for being here, and for your comments and your passion in your presentation.

I will jump to the end of your presentation and your comments on educators and high schools, because I've been an educator and an administrator in high schools for over 20 years.

I did want to start with just a couple of comments, acknowledging that this government has taken a different approach than the previous Conservative government did with workers or the NDP government did with businesses. We've partnered with both business and labour as a unique way to keep Ontario moving forward, and it's working. As you acknowledge, we've had over 420,000 new net jobs in the province since 2003; more than 80% of those are good-paying full-time jobs. But there's more work to be done, no question, and that's what we're here to talk about today. We've made strategic investments in the auto sector and secured \$7 billion in new investments, with over 7,000 new jobs. So we've set a good platform and we continue to move forward with that.

I would like to hear from you, if you don't mind, because this is a personal passion of mine, about the idea of training workers and retraining. We have Employment Ontario, the new supports for workers who need to be trained and retrained. There's no question that's where we need to look. I'm interested in your comments about preparing students with the education and training needed to fill the new technology jobs in community colleges. We heard from the colleges this morning. Can you just give us your specific insight on that particular area, please?

Mr. Terry O'Connor: I don't have any particular insight on it. I just think the high schools and the community colleges are underutilized. I sit on the EI board of referees here in the Kitchener area and I see more and more workers displaced in their jobs and not being able to access some of the programs in the community colleges to get retraining. So I think we really need to look at how that whole system works.

We have a high school here in Guelph that is trying to develop those types of students to work in the trades, but I don't think they get enough funding and enough backup to help them in their endeavours to train students. I don't think the students are really aware of what is out there. I think we need to get them out into the workforce a little bit more, in co-op programs and that kind of thing, to really give them an idea of what is out there and what

they can do, because a lot of them are stuck and have no way of knowing what's available to them.

Ms. Leeanna Pendergast: That's an excellent comment.

My colleague has a question for you.

Ms. Sophia Aggelonitis: Thank you very much for being here today. Why do you think that a jobs commissioner will work in Ontario, since it hasn't worked in BC?

Mr. Terry O'Connor: I think that maybe Ontario is a little bit different and unique, due to the fact that Ontario and Quebec are really the core of manufacturing in the country. I think that a jobs commissioner, working with business and labour, can identify some of the problems that are developing before it gets to the point where a plant has to say, "Wait, we have to close." We've seen so many instances where one day workers get a notice saying that their plant is closing; no reason. A lot of the reasons are economic. If there was a jobs commissioner that a factory or plant could go to to say, "We're experiencing these problems; we need to work out a solution," I think a jobs commissioner will help in, first of all, identifying those problems and then working through them and helping businesses and unions, and even non-union plants where there is no support for the workers there. I think it's a little bit different here in Ontario than it is in BC.

Ms. Sophia Aggelonitis: I would have to disagree, but thank you for your comments.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee this morning.

GUELPH-WELLINGTON COALITION FOR SOCIAL JUSTICE

The Chair (Mr. Pat Hoy): Now I call on the Guelph-Wellington Coalition for Social Justice to come forward, please. Good morning, sir. You have up to 10 minutes for your presentation. There could be up to five minutes of questioning. I ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Mr. George Kelly: Good morning. My name is George Kelly. I am chair of the Guelph-Wellington Coalition for Social Justice. Our coalition has a number of organizational members like the Central Student Association at the university; the Guelph health coalition; the Guelph and District Labour Council, of which Terry O'Connor is a leader; the Ignatius Jesuit Centre; OPIRG Guelph; all the teacher federations, ETFO, OECTA and OSSTF; the steelworkers at the University of Guelph; and interested citizens.

Our mandate, our mission statement, is important to consider in this presentation because my topic will be affordable housing, homelessness and poverty.

We are a member of the Ontario Coalition for Social Justice but we are a community coalition, so as individuals and organizations we are dedicated to progressive social change and the well-being of our community. We do this by networking, sharing infor-

mation and resources and co-operating in research, education and advocacy work. We hope to create and maintain a unified voice for social justice. We promote and engage in a variety of local, provincial and national campaigns.

I will start off talking about the poverty aspect of affordable housing, homelessness and poverty, how they're connected. My emphasis will be on looking at a structural change to begin with. The structural change has to do with minimum wages.

Last year around this time—actually, it was March 2007—I received an e-mail from the director of the Centre for Social Justice in Toronto, David Langille. He made a couple of points that I want to share with you about raising the minimum wage, and raising it post-haste, not over three or four years, because I'm focusing on alleviating poverty and this is a structural change that can do this for those in dire straits.

One of the reasons given for not doing it right away is that there would be a loss of jobs. But the irony is that the government has asked an economist to speculate about what might happen according to economic theory, and the economist concluded that there would be no threat to current jobs, but he worried that an increase might have an impact on job growth in the future. There are dozens of economists who will testify that there were actually no job losses when the minimum wage was raised in other jurisdictions. The example is the state of Washington. So we have evidence to show that raising the minimum wage has not contributed to job loss, and only economic theory to suggest otherwise.

The second reason for raising minimum wage and to help reduce poverty is that delaying the increase will cost the poorest people in the province a great deal. They will lose. These are last year's numbers but we can pro-rate them. They will lose \$2 an hour, or \$80 a week, for a total of \$4,160 in 2007, and up to \$12,480 if there are no incremental increases over the next three years, or \$8,320 if the Liberals keep to their projections. These costs are not speculative; that's money that working people could have spent on food, housing and other essentials. So it is worth remembering that an increase in the minimum wage could be spent in the community, which does a lot of good for Ontario's economy. It would be a good investment in the people of Ontario and their communities. That is a start to looking at the whole problem of poverty and developing anti-poverty strategies.

1130

Connected to that, I want to look for a few minutes at the local picture in terms of homelessness. We all know that there has to be emergency relief for people in dire straits, if their needs are not being met. These are short-term measures. Long-term measures always mean that we go beyond a donor-recipient relationship. People give money or food or they provide shelter, and someone else receives it. That is a dependency relationship, and I'm not going to focus a lot of time on it, but it is a problem.

We have to address immediate problems too. I want to get to the stage where we can say, if we have affordable

housing, for instance, and the minimum wage is raised at a decent pace, that we will move beyond emergency relief or a donor-recipient relationship to a partnership relationship. I think it's much healthier. It's a model that is used by NGOs in Canada and in Third World countries. I belong to an international church NGO that practises using that model so that the people at the grassroots are involved in projects that help them in raising themselves by their own bootstraps. These have to be long term; it can't be a one- or two-year project, or a month or an overnight thing. There are no panaceas.

First, let me talk about the emergency relief aspect. It has to be addressed, but we should not be blind to the limits of emergency relief. That's what I'm really trying to say here. On Thursday, January 17, the Guelph Mercury wrote an article: "Bulk of Shelter Funding to Come from City." I'll refer to a few excerpts from this article. This will give a few examples of what is happening in terms of the county and the city working together at those levels of government to provide shelter for those who need it. My reference:

"Kim Warner, Wellington county social services director, was asked by the joint city-county committee to come back with a figure of what it would cost the city and county to get a shelter in place for 2008. Usually, most social services programs are covered 75% by the city and 25% by the county and the population using the service is also considered....

"Guelph Mayor Karen Farbridge said it's difficult to speculate what type of impact it would have on the city's budget without seeing an estimated cost of what it would take to run the shelter.

"This has been a really big issue"—according to her—"for the community." There are still people who are advocating for this type of change.

I guess the upshot of this article for me in terms of sharing it with you is the fact that the "social services committee has currently set a proposed budget of \$60.7 million for 2008." Kim Warner has said that it's up to the committee to figure out how they would fund the shelter. The province would "pitch in about \$40 a day, based on how many beds are occupied at the shelter."

That's just a little excerpt from a Mercury article on January 17. It gives us a sense of something that is being done locally but needs provincial co-operation.

The other aspect of homelessness in terms of moving beyond shelters is the fact that some people are really in need of out-of-the-cold programs. There's an article I refer to on January 22 in the Mercury, and it's a front-page article. It's called, "Guelph's Homeless Still Out in the Cold," according to Ed Pickersgill. The big point of his article was, sometimes we have to just take people in off the streets and find them a stairwell or some other place out of the cold, like last night or the nights last week when this article was written, and we just have to give them shelter. He knows it's an ad hoc response to keeping people from freezing to death, and it's a band-aid solution. But what he's saying is that it's emergency

relief that needs to be addressed. There has to be "an out-of-the-cold program developed in Guelph."

Without going through the article, I'm trying to summarize the main points that he has said. What he's trying to say is that we just have to look after people who are homeless and who are down and out, and the emergency relief we have now is inadequate. It has to be addressed on a much more constructive basis than what he is trying to provide. He knows it's inadequate, sticking people in stairwells and just literally out of the cold. It's not a response that's even adequate on a short-term basis.

The other thing I'd like to mention—

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Mr. George Kelly: A minute left—could I take 15 minutes instead of 10?

The Chair (Mr. Pat Hoy): No.

Mr. George Kelly: I did too much homework here. Anyway, what I'd like to refer to for a minute or two is a handout that I provided everybody with from the United Way in Guelph. It's on poverty and homelessness. What that article talks about is the extent of homelessness in Guelph beyond what Ed Pickersgill is talking about in terms of the very short term. The United Way has said that one in five Guelph households are at risk of homelessness. The definition of homelessness, or poverty in this context, is any household paying more than 30% of their monthly income on housing. There are approximately 80% more applications for affordable housing in Guelph and Wellington county than there are available units.

If you look at the chart below, you can see the average rent for 2005, monthly rent for single employable people of \$734, the annual rent of \$8,808, and the take-home income of \$6,973. This person is paying 126% of his or her income for shelter. We know that is not acceptable.

You can look at the other categories there: the single disabled, the single parent of one child and the couple with two children, and all of them are paying way over 30% of their income on housing. That has to be addressed. This comes from the United Way in Guelph.

The other item I'd like to bring to your attention is to move beyond the local levels. The Federation of Canadian Municipalities recently had a meeting in Vancouver. They were saying that their action plan for the whole country, Ontario included, is to request strongly that \$3.35 billion be spent annually by all levels of government—federal, provincial and municipal—to deal with the housing that is needed in order to overcome chronic homelessness. This would take a decade to carry out.

This would create 20,000 new transitional, supportive and permanent affordable housing opportunities. There is something at that level—of the Federation of Canadian Municipalities, speaking to the federal government, speaking to provincial governments and municipal governments—that something has to be done in concert. People have to work together. This was talked about a long time ago, but it was all put on the back burner in 1995 when a new government came in to Ontario. Most

people would forget the name of the Premier at the time, so I will not mention the name, and if you want to find out, you can do your own homework.

We can see what happens when a priority item in public policy is put on the back burner: People suffer and taxpayers' money is not spent to look after people's needs, even though there may be federal money available. There has been federal money available, but it's not spent until the provincial government kicks in its quota as well.

In a nutshell, that is what I wanted to say about that level. Do I have a few more minutes?

The Chair (Mr. Pat Hoy): No. You're actually three minutes over. We're going to go to questioning now.

Mr. Ted Arnott: George, thanks for your presentation. I hadn't forgotten who was elected in 1995, but I'm glad you reminded me, just in case we had forgotten.

Mr. George Kelly: It was a very subtle reminder.

Mr. Ted Arnott: The way the rules of this committee go, we're giving 10 minutes for presentations, and each party in rotation is getting five minutes for questions. I'd be happy to yield the time that our caucus has if you want to continue on with the few additional points that you haven't had a chance to make.

Mr. George Kelly: I would appreciate that. I didn't realize that 10 minutes would go by so quickly. I can still maybe do four more minutes and take a minute of questions.

Mr. Ted Arnott: Go ahead.

Mr. George Kelly: Maybe there will be no questions. Poor teachers usually don't get questions from their students, so if I'm a good teacher, maybe I'll get too many questions. It has been a long time since I was in the classroom.

The other thing I want to refer to is that looking at the provincial level, in the next couple of minutes I want to say—and thanks for that intervention—looking at the province of Ontario, affordable housing has to be part of the strategy of poverty reduction and economic prosperity. I'm very happy that the Premier, Dalton McGuinty, has moved forward on this poverty reduction strategy and long-term affordable housing strategy. That pleases me. But I also want to note that many people are aware—and even the Ontario Chamber of Commerce has said that if we don't address some of these issues around housing we're going to suffer, all of us, as a province, as a people. I'll quote this very briefly. Here's what they said very recently at their annual meeting in 2007:

"Housing costs are a major source of wage pressure for businesses. City-based affordable housing is part of the solution to urban sprawl. When there is available affordable housing in the city, this helps mitigate against lost productivity and absenteeism when employees must commute long distances to work. A lack of affordable housing can lead to a host of other, more serious social and economic problems."

So I'll wrap up with these very short statements. My concern in this presentation is to make sure that, in the provincial budget that is coming down whenever, an

effective long-term affordable housing strategy will be a key factor, that there will be money, a line item, allocated to long-term affordable housing. This will dovetail with the poverty reduction strategy and will address the needs of low- and moderate-income households and help to overcome the barrier to participating in the economy in Ontario. Both strategies can be successful, but there has to be a big, strong financial commitment from the province.

I guess that's the important thing that I would say, that we have to make a down payment in the 2008 budget on affordable social housing and for rental people as well. I'll just leave it there. Is that four minutes? Close to it?

The Chair (Mr. Pat Hoy): Very close to it. Thank you for your submission.

We are recessed until 1 o'clock.

The committee recessed from 1142 to 1301.

PATRICK WOOLLEY

JOSEFINA WOOLLEY

EDWARD WOOLLEY

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order for this afternoon's session. I call on Patrick Woolley, Josefina Woolley and Edward Woolley to come forward, please. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I'll ask you to identify yourselves for the purposes of our recording Hansard.

It's my understanding that one of you will want to begin speaking in French. Is that correct?

Mr. Patrick Woolley: Later on in French.

The Chair (Mr. Pat Hoy): Okay. You just let us know. For the committee, the translation will be on channel 1.

Now you can begin. State your names, please.

Mr. Patrick Woolley: My name is Patrick Woolley. I am a businessman and an Ontario land surveyor. We reside in Caledonia.

Ms. Josefina Woolley: My name is Josefina Woolley. I am Pat Woolley's wife. We reside in Caledonia.

Mr. Edward Woolley: My name is Edward Woolley. I am their son.

Mr. Patrick Woolley: I don't know if you have the documents in front of you, but there are two documents that I handed out, which I'll refer to briefly.

Mr. Chair, honourable members of the committee, I am here today at the behest of my member of provincial parliament, Mr. Toby Barrett. I am responding to the invitation of Minister Dwight Duncan to help him and the government in their pre-budget planning. I listened intently to his statement on the website. He spoke of his government's desire to invest in people and build our communities.

I'm here to testify before you about one community in particular that is deeply challenged and in need of immediate relief. I'm here to speak as a business person,

a licensed Ontario land surveyor—I understand I'm the third one to speak before you today—as someone who is deeply involved in the community, and as a family man. I do not purport to be a spokesman for the community, but I have been actively involved in the last 20 years in many activities, including the chamber of commerce, the Rotary Club, the credit union, the Haldimand tourist association and church. I even wrote a local column for several years in Caledonia.

In late February nearly two years ago, a dispute over the ownership of a subdivision of land within the urban limits of Caledonia took place. You're all familiar with the events which occurred and the ongoing occupation and negotiations which continue to take place. Without relating the history, I would refer you to an article in today's National Post, which I have reprinted from their website and handed out to you today, by John Findlay, also a resident of Caledonia. These events have taken a serious toll on the economic well-being of Caledonia, Haldimand county and Six Nations. They have seriously impaired hundreds of businesses in the area surrounding this occupation and led to serious economic loss.

I run a small country land surveying business based in Caledonia. Mine was one of the businesses immediately affected by the closure of this subdivision, as we were providing layout services to one of the builders in DCE. This source of revenue has been permanently lost to my firm.

I've spoken to many people in this province from outside our area. Often they are under the impression that the crisis in Caledonia is over, but just the opposite is true. Many, many businesses continue to suffer from a downturn in revenue; some have even moved out. My business has been particularly affected because I am dealing in land.

Land is referred to as real property and has a special significance in our legal system. Land is held as a special possession. People will invest in it and make major improvements, but only if they have confidence in the land registration system run by the Ontario government.

There is a distinct and troubling lack of confidence in the titles in Haldimand. Not only does this affect development projects that are on hold, some by my clients in particular, but also average citizens who are putting land transactions on hold. We lost about \$30,000 in the first year of the occupation. Although we got some assistance, our downturn in revenue continues in the second year and may be similar.

The lands of Douglas Creek had just completed a first application process under the Land Titles Act. This land—and this is significant—was given the best and highest form of title that can be granted in Ontario. One of the documents I've distributed is just a copy of a PIN printout of one of the lots that was in that subdivision. You'll see that on there it has the heading "fee simple, absolute"; there's no better title that can be given. This title is supposed to be guaranteed under the principles established by Robert Torrens for the land title systems. There are ongoing questions of titles and land claims in

Haldimand. Until these issues are settled, our community will continue to suffer, and my business in particular.

We have been called racist and wackos by many in Toronto, yet most people I know—and Mr. Findlay makes this point in his article today—support a resolution to the land claims but are anxious that their own land ownership is assured. Land disputes are a primary source of tension in many world conflicts, and many degenerate into violence. We hope to avoid this in our community. Yet, whatever solution is arrived at, the process should not continue to be shrouded in secrecy. Every effort must be made so that people on all sides of the conflict can buy into the resolution. The government must work to uphold the law.

June 11, 2006, was a terrible day in Caledonia. This was the day that a news crew and a border guard were attacked. I remember talking to a Toronto TV reporter. I told her that ours was a multicultural, multi-ethnic community much like Toronto, but to a lesser extent, perhaps. She looked around and said, "I sure see a lot of white faces." This is not a racial or a cultural problem as much as it is a lack of response by a government responsible to provide peace, order and good government. We're here today to address that issue and to bring to the attention of the members of this committee the ongoing hardship that we suffer and that our community suffers.

My wife has a statement.

Ms. Josefina Woolley: I came to Canada 20 years ago so that I could have a better life. I met my husband in Toronto, and we later settled in Caledonia and started a surveying practice. We have invested everything we have in this company and worked to make it grow. In the first year after the DCE occupation, our revenue was down about \$30,000. This year does not appear to be much better.

There does not seem to be any sign of improvement in the local economy. We have three children. It is not easy for us to uproot the family and move to another city. It is impossible for my husband to move his business. It takes years to build up clients and contacts in a profession like this.

In the past, I ran a part-time bed and breakfast in our home. In the past two years we have not had any calls from people looking for accommodation in Caledonia. Like everyone, we have a mortgage and debts. My children will soon be going to university and our business losses will severely hurt our ability to pay for their education. It is very hard and stressful on our family life. We can't afford even to go on family trips because of the stress of the job.

It is important for each MPP to remember the importance of upholding the law. In my home province in the Philippines, there were times when a local government leader had to be replaced because the previous one had been assassinated in the local market. It is very important that in Canada we have stable laws that apply equally to all people. The police must not appear to be corrupt or treat each group of people differently from the

others. This leads to corruption and lack of respect for authority in Canada. We must do better.

Mr. Patrick Woolley: My son will be testifying in French.

The Chair (Mr. Pat Hoy): We have about two minutes. Go ahead.

M. Edward Woolley: Bonjour, mesdames et messieurs. Je m'appelle Edward Woolley. Je suis un élève en 11^e à l'école secondaire St. Thomas More à Hamilton, en Ontario.

J'ai vécu toute ma vie à Caledonia. Dans mon histoire familiale, ma mère est une immigrante et les ancêtres de mon père étaient des loyalistes anglais. À cause de cela, j'ai une perspective unique. Je suis très fier d'être Canadien, et donc j'ai pris le temps d'apprendre le français.

Depuis mon enfance, j'ai toujours été intéressé par le gouvernement et la loi. Donc, j'ai des espérances élevées de mon gouvernement. Malheureusement, le gouvernement nous échoue à Caledonia. Ma famille a beaucoup souffert à cause de la récession municipale. L'entreprise de mon père a presque failli. Je ne peux plus partir en vacances avec mon école ni recevoir une allocation mensuelle. Les jeunes à Caledonia ont perdu tout leur respect pour la police ou l'autorité. Le sentiment populaire est, « Pourquoi obéir à la loi ? » Il y a une double norme en l'imposant. Même si je ne suis pas encore assez vieux pour voter, je peux dire, comme citoyen canadien, que le gouvernement est obligé d'appliquer la loi également parmi tous ses citoyens. Sinon, la loi sera dévaluée et un état d'anarchie existera.

Je vous prie, mesdames et messieurs, de ne pas nous voler notre futur.

The Chair (Mr. Pat Hoy): Thank you.

1310

Mr. Patrick Woolley: Thank you for indulging us and hearing our concerns. I would just close by saying that my business, our family and our community in Caledonia and Haldimand are in distress, continue to be, and we need your help. If you have questions, we are prepared to answer them.

The Chair (Mr. Pat Hoy): Thank you all for your presentation. This round of questioning goes to the NDP.

Mr. Michael Prue: Thank you very much for your presentation, and I know it is heartfelt. This, though, is the finance committee, and our job is to make recommendations to the finance minister on expenditures: where money should be spent. Are you looking personally, or on behalf of your community, for redress, that the government contain, within the budget, monies for the people of Caledonia?

Mr. Patrick Woolley: There have been two rounds of compensation to the businesses and a round of compensation to some of the residents immediately affected, and there's talk of another round that's coming. I think that is imperative while this situation is ongoing—it's an artificial creation which affects our local environment.

I believe my son said that it is a local recession that we have. If you look at the United States, they've just unveiled a \$150-billion compensation package to help

stimulate that economy. We need help in Caledonia. We need financial help and we need confidence to be restored, so that businesses will invest and people will not flee our community.

Mr. Michael Prue: Do you need any additional government services for us to make recommendations, additional government services and the financing of those services?

Mr. Patrick Woolley: I'm not in a position to advise that. I'm not here as a spokesman; I just know what our local municipal representatives say. I think that they have made presentations—there was an article in the paper that they're looking for \$60 million in assistance to help with some of the infrastructure projects. I can tell you certainly, on the street level, the grassroots level, that we're just one of the businesses that is really, really hurting.

Mr. Michael Prue: In terms of the lost revenues, did you get any part of the \$30,000 in lost revenue? Did they give you any money in the past year?

Mr. Patrick Woolley: We got some.

Mr. Michael Prue: You got some.

Mr. Patrick Woolley: We got some, but certainly not—

Mr. Michael Prue: Did your wife get any money for the loss of revenues related to the bed-and-breakfast establishment? She's shaking her head no.

Ms. Josefina Woolley: No.

Mr. Michael Prue: The townspeople in Caledonia: Are they being compensated to the same extent that you have been, or not compensated to the same extent as your wife?

Mr. Patrick Woolley: Without any question, if you ask the people in Caledonia, they would say they're not being compensated. Certainly, when there's economic loss, some of the hardships and things that they've had to endure, the closer you get to the occupation site, the more difficult and stressful it is. I think there'd be 10,000 people and certainly people on Six Nations—the committee should remember that these are not two separate communities. There are families, long associations—so people in the whole catchment area are suffering.

Mr. Michael Prue: Apart from the financial aspect for which we can make recommendations, for you this is also a forum to have seven or eight MPPs. Is there any other message, other than the one that you've given, that you'd like us to take back, not so much to the finance minister but to the Premier?

Mr. Patrick Woolley: The term “rule of law” gets thrown around quite a bit, and it has almost become a pejorative term. But as my wife said, one of the things that marks our country, our western civilization, is that we have the rule of law. We have laws applied equally to people, regardless of their national background, regardless of where they come from, and I think it's imperative.

That's part of the message that I wanted to bring, not just the economic loss but the lack of confidence, such things as children not respecting the police. This is an insidious thing, and it grows. It's very different in Haldi-

mand than it is in Hamilton, where my son goes to school, where people can't understand. I think it extends into Six Nations as well.

There was some solution offered recently by the government for what's going on in Ipperwash, but we cannot wait 13 years in our community for healing to take place. There's a financial aspect to everything, and I think as the budget is prepared that context must be brought forward, that it's not just financial compensation but the health of our communities that needs to be restored.

The Chair (Mr. Pat Hoy): Thank you for your submission.

UNITED WAY OF
GUELPH AND WELLINGTON
SOCIAL PLANNING COUNCIL OF
CAMBRIDGE AND NORTH DUMFRIES

The Chair (Mr. Pat Hoy): Now I call on the United Way of Guelph and Wellington and the Social Planning Council of Cambridge and North Dumfries to come forward, please. While they're setting up, I'll just remind you that you have 10 minutes for your presentation. There could be up to five minutes of questioning. When we get rolling here, I'll ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Sarah Haanstra: Maybe I'll just start while he loads up.

The Chair (Mr. Pat Hoy): Whatever you like.

Ms. Sarah Haanstra: We are here today to speak to you about the need for comprehensive poverty reduction strategies in Ontario. We are representatives from two local agencies serving Guelph and Wellington and Cambridge and North Dumfries.

The Chair (Mr. Pat Hoy): Could you just state your name first?

Ms. Sarah Haanstra: Sure. My name is Sarah Haanstra. I'm the social planning director at the United Way community services.

The Chair (Mr. Pat Hoy): That helps them track who's speaking. Go ahead.

Ms. Sarah Haanstra: I'll forget that introduction later.

We work closely with many community partners and engage in ongoing research about community needs and trends. We come to you today with serious concerns about poverty in our communities.

This is Wendy Adema, senior social planner with the Social Planning Council of Cambridge and North Dumfries, and on my right is Rebecca Roy, MSW intern with the Social Planning Council of Cambridge and North Dumfries.

Ms. Wendy Adema: We're having technical difficulties. Computers are great when they work.

So, what is the issue? Currently, there are too many people in our local communities who do not have enough income to meet their basic needs. Despite economic

growth, poverty is not decreasing. In Cambridge alone, we know that there are over 15,000 people, which is approximately 13% of our population, who are living in poverty, and that's using a very conservative measure of poverty. The gap between rich and poor is increasing. In 2005, the highest-income earners in Waterloo region, those who were in the 90th percentile, earned 18 times more than the lowest earners. In the province, one in eight children lives in poverty, and the poverty rate seems to be stuck between 15% and 17% since the late 1980s; 41% of low-income children live in families where at least one parent works full-time and the families are still in poverty. As the new census data becomes available, we'll have more poverty statistics for our local communities.

What does this result in? What we're seeing in our communities is that people cannot afford sufficient food for themselves and their families. The use of local food banks has been increasing over the last number of years. People cannot afford sufficient housing. There are long waiting lists for both subsidized housing and other housing programs in Cambridge and North Dumfries and in Guelph communities. More people are seeking emergency shelter from various sources.

1320

What else have we seen? There's an increased demand for social assistance programs. In Cambridge and Guelph, increasing numbers of people are seeking social assistance programs. The rates of the programs, the amount of money that they get in their pockets, are seriously inadequate, placing people below the poverty line and not able to meet their own basic needs.

Many community agencies are experiencing stress. Agencies are struggling with long waiting lists for their programs and there are general increases on the service demands without additional resources to meet those demands.

Poorer health: There is an increasing body of evidence documenting that the healthiest communities are those where there is a smaller gap between the richest members and the smaller members. We're finding that income is a strong determinant of health. People cannot afford sufficient education and learning opportunities to be able to compete in our changing economic climate.

Ms. Rebecca Roy: We do know, however, that reducing poverty is achievable and there has been success around the world and in our country alone. In countries like the United Kingdom and Ireland, they have created and are implementing poverty reduction strategies that are being met with success. Other provinces like Quebec and Newfoundland and Labrador have demonstrated leadership in developing and implementing poverty reduction strategies.

Ms. Sarah Haanstra: So what can be done in Ontario to reduce poverty? We know the provincial government intends to make progress in the fight against poverty. The cabinet committee on poverty reduction is a step in the right direction. We know from other provinces and nations that serious poverty reduction is possible. To

reduce poverty in Ontario we need: indicators for measuring poverty; measurable targets and timelines; a coordinated plan of action across all government ministries and budget commitments; monitoring and evaluation of progress to ensure accountability.

What else can be done in Ontario to reduce poverty? Specifically, we need to increase minimum wage rates to ensure those who work full-time, full-year, do not live in poverty. We need to update the Employment Standards Act. We need to increase social assistance rates to ensure our most vulnerable people are not living below the poverty line. We need to increase access to education, early learning, child care education and training. Finally, we need to create more affordable housing.

Ms. Rebecca Roy: There are many benefits to reducing poverty, and some of them we'd like to just identify for you right now.

There would be a greater equality among citizens. Reducing poverty would reduce the growing gap between the rich and the poor and it would move our area and our province towards a more inclusive society where low-income earners participate more fully socially and economically. We would see a thriving local economy, and we know that greater economic prosperity as low-income earners spend their money locally creates more opportunities for growth.

We would see decreased demand for local health and social services. We know that greater economic self-sufficiency leads to a reduction in health care and social service demands.

Finally, we would have a better-educated community. We know that higher education is associated with higher incomes and we would like to have a better-educated community.

That's the end of our presentation. We would like to open it up for questions.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the government.

Mrs. Liz Sandals: Thank you very much. We've obviously opened up the whole discussion around a poverty reduction strategy. We've begun with the Ontario child benefit. We have already committed to providing dental care for low-income working families and a number of other initiatives. But certainly one of the things that I know my cabinet colleagues are looking at is, what are the indicators? Because you're in the business of social planning, it might be helpful to us to know what you feel are indicators that we should be using when we're trying to measure the level of poverty in our community and our success in reducing poverty.

Ms. Wendy Adema: I'll respond to that. As the Social Planning Council of Cambridge and North Dumfries, we've been tracking these trends over the last number of years. Certainly, subsidized housing waiting lists would be a good indicator, that we'd be making some success on decreasing those waiting lists, as opposed to seeing them continue to increase. Food bank usage I think would be another good indicator to track, and some of the other ones we've listed here—the

demand on social assistance programs. So the caseloads of various programs like the Ontario disability support program, Ontario Works and other programs like that could be tracked over time.

Mrs. Liz Sandals: On affordable housing: There's no doubt that in Guelph there is a very long wait-list for affordable housing, and I think, for anybody who has looked at that, that's a problem that has been building for decades now in this area. Because it's a problem that has been building for decades, it's obviously not one that we're going to magically solve very, very quickly. But one of the things we went off to get some debate around with affordable housing initiatives is which strategy is the best strategy. I will hear some people who come into my office say, "You need to build more units." Other people will come in and say, "That's going to take too long. What we really need is more rent supplements." Other people will come in and say, "If you really want to help low-income working poor get into permanent housing, we need to be looking at more down payments to assist them to get into affordable home ownership." I'm wondering, from a social planning point of view, are you looking at focusing on one affordable housing strategy or would you be recommending, as I think we have been doing, that we look at a broad range of initiatives?

Ms. Wendy Adema: I can speak again for Cambridge. We have a Cambridge Action on Homelessness Group, which has representatives from numerous housing stakeholders in our community. One of the things we've been requesting, in working very diligently with our region and people in our area, is to ensure that there's a comprehensive view to housing and housing supports and services, looking at the broader array of housing options and choices for people. If we look at the senior population, I think having supports to help people stay in their homes is a very appropriate strategy for that. So it depends on the population. You're right: Just looking at one narrow view is not helpful. We are certainly looking at a broader perspective and we'd be interested in talking with you further in terms of what that could look like.

Mrs. Liz Sandals: Thank you. I'm going to turn it over to my colleague.

The Chair (Mr. Pat Hoy): Just one minute.

Ms. Leeanna Pendergast: Thank you for the presentation. This government over the past four years has built a strong foundation in this area with a total social service investment of \$10.9 billion; 18,000 new affordable housing units.

I have the privilege of being the parliamentary assistant to Minister Matthews in the area of women's issues. As you know, the Premier has established the committee on poverty reduction, which she's chairing. So we as a government are making great steps forward. We continue to move forward and, as MPP Sandals has pointed out, it is definitely on our agenda.

You mention, under "Benefits of reducing poverty," to reduce the growing gap between the rich and the poor. As an English teacher, that says the world to me, but very little at the same time. Can you give us maybe a very

immediate next step? How do you even begin to address that statement?

Ms. Rebecca Roy: I think what we talked about just briefly in an earlier slide was the income earnings being 18 times greater for higher-income earners. So what would we be looking at in terms of reducing the gap? I think part of that would involve some education strategies to ensure that people have greater access to post-secondary education. We talked about raising the minimum wage, and that's certainly something we advocate for. When people are working full-time all year long, it's very discouraging to see that they are still continuing to live in poverty. So those are just a number of the issues we would be looking at. But again, it's part of a very comprehensive plan that looks at a number of different areas.

The Chair (Mr. Pat Hoy): Thank you for your submission.

1330

WATERLOO CATHOLIC DISTRICT SCHOOL BOARD

The Chair (Mr. Pat Hoy): Now I call on the Waterloo Catholic District School Board to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I'd ask you to identify yourselves for our recording Hansard.

Mr. Wayne Buchholtz: Thank you very much, first of all, for the opportunity to meet with you again this year. My name is Wayne Buchholtz. I'm the chair of the Waterloo Catholic District School Board. To my right is Marion Thomson Howell, vice-chair of the board; and the executive assistant to the director is here but disappeared for a second. His name is John Shewchuk. I assume that he'll join us up here as soon as he returns.

Catholic schools have existed in the regional municipality of Waterloo since 1836. The Waterloo Catholic District School Board currently meets the education needs of 30,000 elementary, secondary and adult education students across Waterloo region, serving approximately 30% of the elementary and secondary school population. The school system employs approximately 3,000 staff, including educators, administrators and support staff, and operates with an annual budget of \$206 million. Our students come from 114 different countries and speak 68 different languages.

The purpose of Waterloo region's Catholic schools is simply to provide a quality, inclusive faith-based education. Along with this, we are firmly committed to implementing the government's educational agenda.

To accomplish our work, we depend upon our government as a true partner. True partnership means providing the human and non-human resources to enable us to accomplish provincial government priorities in tandem with, and not independent of, local priorities.

To this end, we applaud the significant investments government has made in the areas of: textbooks and classroom resources; professional development for both teaching and non-teaching staff; reduction of the average class size; specialty teachers; and staff to address learning to 18. These investments will go far to address our common goal of improving student learning and ensuring that students graduate as contributing members of society.

One measure of our success is our outstanding EQAO results, and we've included those at the bottom of page 2 and the beginning of page 3. Our obvious success as demonstrated in these has come in spite of chronic underfunding. Having the funds to actually meet current student needs would yield success beyond even that explained above. To be clear, the Waterloo Catholic District School Board does not believe that the provincial education funding model is broken. Rather, we believe there are important areas where the model simply does not provide the necessary level of funding to accomplish the government's own goals. We have listed those areas below.

The first is employee compensation benchmarks. The funding for employee compensation is an extremely serious issue for us. Staff salaries and benefits comprise more than 80% of our operating expenditures. While we are grateful the government acknowledges the existence of the teacher salary gap and took significant steps to address it in the 2006-07 GSNs, we nevertheless are concerned that the government's commitment to a full review of the funding formula by 2010 will come too late to prevent the inevitable financial crisis such an unsustainable framework will undoubtedly create for us.

Therefore, we encourage the government to immediately review and adjust accordingly the salary benchmarks for teachers to ensure that a gap between the actual salary costs and funding does not reoccur and that the shuffling of existing grants to bridge the gaps does not produce unintended adverse consequences in other areas.

We also encourage the government to ensure that school boards are able to sustainably fund the salary demands of support staff, such as educational assistants, school secretaries and custodians, caused by the provincially negotiated increases to teacher salaries—the "me too" syndrome the government surely knew would come when it negotiated with the teachers.

Employee benefits are an additional significant concern, being proportionately more underfunded than salaries. In 2002, the government funded benefits at 12% of salary for teaching staff and 15.7% for non-teaching staff. The 2006-07 GSNs decreased the percentage for teaching staff from 12% to 11.1% of salary, and for non-teaching staff from 15.7% to 14.8%, and the 2007-08 GSNs maintained these levels. As a result, the gap between benchmarks and costs remains at the 2002 level.

As the following data lay bare, a key driver leading to lack of financial sustainability going forward is the fact that the funding formula is tied to ever-decreasing

student enrolment. The linking of funding to enrolment, coupled with the increased numbers of teachers needed to meet government-mandated class sizes and the accompanying failure of salary and benefit benchmarks to keep pace with current needs, is a recipe for ongoing and steadily deteriorating fiscal instability.

Between 2006-07 and 2007-08, our system experienced declining enrolments in fully 75% of our elementary schools. For a number of years, we have seen a declining number of new JK and K student registrations, while the number of grade 8 students moving on to secondary school has far exceeded the number of new JK students entering the system. We are not alone; this is a provincial trend.

We've provided some data on the bottom of page 4 and the top of page 5, and on page 5 we've provided a chart that clearly illustrates the problem. Our daily enrolment has fallen by 506 students in the last five years. By itself, it's not a catastrophic event. However, consider the fact that during that same time period, our overall staffing increased by 132 full-time equivalent, including 65 new teachers—the vast majority added to meet circumstances beyond our control, such as class size regulations. We simply cannot sustain the continued reduction in enrolment-based revenue while simultaneously implementing government-mandated staff increases and the associated costs. We have made our cuts, and there is nothing left to cut to take up the slack.

Special education: While significant improvements have been made to the funding of special education since 1998, special-ed continues to be an area where the needs of students far outstrip available resources. The budget summary appended to this document on page 8 explains our situation far better than any extended written argument could. Our budgeted special education expenditures for this year, based on actual, current special education needs, totals \$25.5 million, while revenues total just \$23.5 million—almost \$2 million less than required to serve our most vulnerable students.

We urge the government to act immediately on the Ontario Catholic School Trustees' Association recommendations to take a very serious look at all aspects of special education funding, and to do it relatively quickly.

In the area of student transportation, a new and vastly improved student transportation model has been promised, repromised and repromised to school boards since 1997-98. As the government is aware, the several attempts since 1997 to create a fair and equitable transportation model have not been successful. Our request is simple: The actual cost of transporting students to school must be reflected in any model, a model that should be based on the principles of equity, adequacy, autonomy/flexibility and accountability.

Our situation is made clear in the budget summary appended to this document. Our budgeted transportation expenditures for this year, based on actual, current transportation needs, total \$6.9 million, while revenues total just \$6.5 million—\$461,000 less than required.

In summary, we are all aware that the learning agenda of the government is a critical piece in the economic and social future of Ontario. The Waterloo Catholic District School Board supports that learning agenda and will continue to work tirelessly as a full partner with government to achieve this agenda. We very much appreciate the former support of Ted Arnott, who was the MPP for our area at one point, and very much appreciate the openness and co-operation of John Milloy and Leeanna Pendergast in this regard. We commend their enthusiastic support of public education. We look forward to continuing our relationship as we work to solve these very serious funding gaps.

1340

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the official opposition.

Mr. Ted Arnott: Thank you very much for your presentation. It's very good to see you again.

Mr. Wayne Buchholtz: Thank you, Ted.

Mr. Ted Arnott: I look forward to keeping in touch in the future, notwithstanding the fact that I am no longer representing any part of Waterloo region. The new member for Kitchener-Conestoga is endeavouring to do that in her first few months. I look forward to working with her as well.

We had a rather remarkable presentation this morning from the OSSTF, District 18, who talked about some of the same issues that you've referenced here. Specifically, they called for the immediate restoration of the local priorities grant, the learning opportunities grant and the declining enrolment grant. What was most interesting is they characterized the government's funding changes in the last two or three years as a "shell game." Would you agree with that characterization, a shell game?

Mr. John Shewchuk: As all three lights go on—

Mr. Wayne Buchholtz: As all three of us look at each other. A shell game? I wouldn't consider it a shell game as such. I would consider it a re-shifting of priorities, moving money around, perhaps giving the appearance of increased funding when in reality there was other funding being cut at the same time.

Mr. Ted Arnott: But certainly, you would call for the restoration of those grants—

Mr. Wayne Buchholtz: Yes, very much so.

Mr. Ted Arnott: And I would agree that that issue must be addressed. On page 3 of your presentation, you asked for a review of the funding formula before 2010, and that's one of your summary recommendations as well.

Mr. Wayne Buchholtz: Correct, yes.

Mr. Ted Arnott: Do you feel that needs to be undertaken immediately, or what would you suggest in that regard? It can't wait until 2010; does it need to be done immediately?

Mr. Wayne Buchholtz: The reality is that parts of the funding formula, the benchmarks, have been reviewed since 1997-98, if you look at transportation. Special education has been reviewed over the last four years in terms of benchmarks. Even though we had an increase in

the benchmark in terms of teacher salary last year, if we're not going to look at ensuring that that stays consistent and up to date, our fear is that if we hold off the review of the funding benchmarks to 2010, school boards could end up in a very serious situation.

Mr. John Shewchuk: If I may, Mr. Chair, just as a supplementary to my colleague's answer there, we referenced what we're calling the "me too" syndrome in the paper. That's really what one of the primary concerns is right now. Having dealt with the major, major gap in the funding of teacher salaries, the gaps that will be coming forward now with custodians, educational assistants, secretaries etc., haven't been addressed yet. That needs to be looked at very carefully, very closely and very quickly, otherwise we'll be in the same boat we were with teachers. That's why the suggestion is to up the timetable as much as possible to get at that right now.

Mr. Ted Arnott: In 2003, in the election campaign, the Liberal Party advocated and promised a hard cap for some of the primary grades, and we argued that that was impractical. In 2007, going into the election campaign, the Liberal Party patted itself on the back, saying they'd accomplished I think 90% of their promise. Of course, one of the downsides of that promise has been a substantial increase in many school boards in the number of split grades in the intermediate division. I was wondering if you could give us some information as to how it has impacted on your school board?

Mr. Wayne Buchholtz: I don't have the actual numbers with me, Mr. Arnott. The reality is it does impact. Whether it's an increased number of split grades in primary division or in junior or intermediate classes, that is an impact of a hard cap. Whenever you have a situation of having more than three students over the cap, you end up having to create another room, and you end up having to hire and then adjust staffing for that particular school. Kids don't come in neat small packages of 20 or 21 at a time; it just doesn't happen.

Ms. Marion Thomson Howell: If I could just add on to what Wayne has said, the other issue is that parents react emotionally to children being in split grades. It is often more so when their child is in the upper grade because they don't want them listening to the younger grade curriculum.

Mr. Ted Arnott: It's a real challenge for the teacher too.

Ms. Marion Thomson Howell: My point was going to be that the bigger factor to children's learning, quite frankly, is not split grades; it's how well-prepared and resourced our teachers are. If we look at the whole issue of budget, if split grades are a concern, we should be spending more time looking at how well boards are able to train teachers as far as having really effective training programs for them, as far as having supplies so that they can do that learning. Separate from class size, separate from split grades, the most important factor is how well-trained and resourced the classroom teacher is.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO ASSOCIATION OF SOCIAL WORKERS

The Chair (Mr. Pat Hoy): Now I call on the Ontario Association of Social Workers to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for the purposes of Hansard.

Dr. Dan Andreae: My name is Dr. Dan Andreae, and I'm the president of the Ontario Association of Social Workers. The OASW is a bilingual membership association incorporated in 1964. It's one of 10 provincial/territorial associations of social workers belonging to the Canadian Association of Social Workers, which in turn is a member of the 78-nation International Federation of Social Workers. There are 15 branches across Ontario, including here in Guelph, Liz, as well. Our association embodies the social work profession's commitment to a just and equitable society by engaging in social work and actions related to vulnerable, disadvantaged populations, and taking positions on key issues.

We have approximately 3,600 members. We're like the OMA or the law society of Ontario: We are the voice of social work. People belonging to our association have university degrees in social work at doctoral, master's and baccalaureate levels. Of course many of you have worked with social workers, and of course your constituents also deal with social workers every day, working in family service associations, mental health clinics, hospitals, children's aid societies, drug and alcohol treatment centres and other centres as well.

I'll just spend a couple of minutes sort of flying at 30,000 feet, because you hear lots of different opinions about many different issues. Certainly, governing is a complex process; you all know that. It's a Herculean task, really, because here you are on this committee, listening to a variety of different opinions and ideas about what to do from advocates for different agendas, and this requires you to broker among competing agendas as you strive for compromise in the pursuit of the art of the possible.

I used to work for a politician, and I understand what that's all about. This presents you with hard choices to make. But governing really demands leadership. It means choosing from among competing and often conflicting agendas that way.

When former Prime Minister Harold Wilson of England was asked, "What's the hardest part of governing?" he said, "The hardest part is events, my dear friends, events." Certain things are going to come up over the next four years that you can't predict; I don't know either. They are beyond our event horizons. We don't know, but I tell you they will occur. So we'll be prepared for those, whether it's a SARS—God forbid—or whatever. However, below this, what are the core values of any government? What do you stand for? Governments can't do everything, nor should they. As the

president of the social workers, I'm telling you that. You might expect me to say government should do everything; it should not.

Ultimately, you need to look at issues that can be done better collectively in the public interest than can be done by individuals alone, in that sense. Basically, what are you going to be able to tell your grandchildren, your children and your friends about what you have done as a signature issue or signature issues, looking down the road 10, 15 years from now? How did you make a difference as a member of the Legislature in that regard? It's a tough battle to actually arbitrate between economic growth, sustainable environments and social justice.

At the outset, I'm going to say something that you might not expect the head of the social workers to say: Your latitude to move is dependent upon a thriving economy. You need to have growth, you need to have jobs, you need to have jobs created; otherwise, there are no revenues coming in and therefore no programs.

1350

Beyond that, what should the priorities be? We in social work have certain ideas about that. As the handout talks about here, certainly alleviation of poverty is a major issue for us. We believe that foremost among priorities there needs to be an unwavering commitment, bolstered by concrete action, toward eradicating poverty for children and families. What's required are specific targets, an action plan with a budget and monitoring of progress each and every year.

We commend the government for the highlights of the 2007 budget, when poverty was addressed, together with a renewed commitment in the recent election campaign to doing this.

You've heard before today, I'm sure, that there have been successful attempts and plans in Quebec and Newfoundland and Labrador in Canada, and also in Ireland. The Irish miracle has not solved the problem in Ireland, but it's a model to look at, because what's happened there is that the Prime Minister of that country sits on the policy and priorities committee, and every issue is looked at through the prism of poverty reduction. And it has worked. There are problems there—it's beyond the scope of three or four minutes of talking today—but it's a model for us to look at. Again, they have competitive corporate tax rates etc. It's part of a package. But when the political will exists, it can happen.

When the US wanted to go to the moon in the 1960s—it would cost lots of money; it couldn't be done—the political will was there. If we put the same political will toward reducing poverty in that sense, then things can happen and you will be remembered for an historic contribution to this province.

Other things we need to do: We need to permanently index social assistance rates to inflation and increase benefit levels by a double digit for 2008, to speed up implementation of the Ontario child benefit so families will receive that benefit sooner. Investing in early learning and child care to achieve a target of 25% of Ontario children ages 0 to 12 having access to a licensed

and affordable child care space within five years must be done. Research shows that brain development in the first three years of life is absolutely critical in terms of determining the long-term prognosis of people. These are preventive measures which will pay off in the end.

We can go on here, sir. Do I have another minute or two or what?

The Chair (Mr. Pat Hoy): You have four minutes left.

Dr. Dan Andreae: Okay, we'll keep going.

We also need to look at employment and training opportunities and investment in job creation, as the handout says here. We need to provide resources, enabling young people to graduate from high school with marketable skills to reduce debt load.

What makes Ontario a good place to invest in? It's because we invest in social and physical infrastructure. So, in a competitive world, when we're competing against New York and Pennsylvania and Ohio and Malaysia and the Philippines and Mexico, what makes people come here? It's that sense that we have something to offer, not just in terms of economic benefits but also social infrastructure.

We need to provide training programs and financial incentives for individuals in non-academic streams and trades; that's absolutely critical.

We need to offer financial incentives, again, for students entering colleges and universities.

We need to develop an effective jobs strategy which includes tax incentives for employers to hire individuals who would otherwise experience barriers in competitive job markets.

We need to consider, as well, a multi-stage process to increase the minimum wage, initially targeting mega-employers who hire at a very basic wage, some of the big companies like the Wal-Marts etc. Begin there and work your way back. We realize that things need to be done incrementally. Again, everything you do has to be done within the framework of fiscal responsibility. You need to balance budgets to move ahead.

OASW, on behalf of the social work profession in Ontario, as the voice of social work, has a long-standing commitment to alleviating poverty. Over the past number of years, we have demonstrated this priority focus through, for example:

- collaborating with community partners such as Campaign 2000 and the Interfaith Social Assistance Reform Coalition, ISARC, whose forums are held at Queen's Park;

- meeting with the chair of the Ontario cabinet committee on poverty reduction;

- facilitating a round-table discussion with the former Minister of Finance—and he was responsive—and social work leaders in the community;

- responding to the 2007 Ontario budget;

- providing a social work perspective on poverty-related issues that are profiled in the media.

Again, these are preventive measures that save money down the road. What is the role of government? It's there to meet the needs of people.

Governments come and go. We've had them; we'll have them again. Trends ebb and flow. But as things move in and out, what remain absolutely critical and unchanging are these human needs. What are the human needs we can meet, given the fact that we need the target priorities? How do we do that within a framework of fiscal responsibility—and for us, the ones I've listed here are the ones that would be of most import to social workers and the clients served around Ontario, of which there are tens of thousands every year. Social work is a regulated profession, as you know, and has a college, and members are responsible to that college.

In summary, OASW is pleased with the government's priority of developing and promoting a poverty reduction strategy, and we anticipate further specific commitments in the spring budget. We will continue to monitor and advocate for the implementation of effective measures with clearly articulated targets and timelines to reduce child poverty by 25% over five years. You, in government, have one overriding responsibility, and that is to alleviate suffering as much as possible and to offer hope, regardless of political stripe or political affiliation. That's why you're around this table, why you ran: because you want to make a difference. Here is a way to make that major difference. So there we are, sir.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning goes to Mr. Prue of the NDP.

Mr. Michael Prue: I have a couple of questions here. Your first bullet point is to “permanently index social assistance rates to inflation, and increase benefit levels by a double digit for 2008.” But surely you would not want to permanently index the rates that currently exist. They are 40% below the poverty line, or even more so on Ontario Works. Do you have any kind of idea of how long this government should take to at least move them up to the poverty line, and then index them?

Dr. Dan Andreae: Okay—fair point. There certainly needs to be community consultation on that, Michael. I'd like you to contact Joan MacKenzie Davies, the executive director of OASW, who has that specific information there. We need to push them to do it. I don't have an actual timetable in terms of giving you a month or exactly when that would occur, but it needs to be done. And I agree with you that it needs to be moved beyond that point.

Mr. Michael Prue: Every group that's come forward—one said 40% right away, some have said double digits and some have said at least 10%. I haven't heard anybody lower than that. But that 10%: If you do it this budget and if you did 10% every budget for four years, you might get close to the poverty line.

Dr. Dan Andreae: Yes, that's a reasonable assumption too. Again, it needs to be done in conjunction with other priorities as well. We would love to do that. It should be done, it's the right thing to do, but what about the other priorities we've mentioned here too? It's a

question of balancing that out and doing it in a fiscally responsible way. But I agree, Michael.

Mr. Michael Prue: The next bullet point, and I'm very curious about this: “Significantly increase provincial spending on affordable housing.” There hasn't been any provincial spending on affordable housing since—I can't even remember—back in the NDP times, maybe.

Dr. Dan Andreae: Yes, Bob Rae days. Well—

Mr. Michael Prue: No, but that's true. The money that's been spent on affordable housing in Ontario for the last four years has been federal money. There hasn't been any provincial money added to that, so how do you increase nothing?

Dr. Dan Andreae: There needs to be a commitment to social housing, there's no question about it. The profession believes in working with government, with you and the others, to push that agenda forward.

Mr. Michael Prue: I heard a statement from Ms. Pendergast, who's not here, that there had been 18,000 units of affordable housing built in Ontario. Can you tell me, do you have any information on that? The Wellesley Institute says 286. That's quite a distance, between 18,000 as claimed and 286.

Dr. Dan Andreae: I don't. If somebody around here does, let us know.

Mr. Michael Prue: All right; okay. You ask, lastly, for us to consider “a multi-staged process to increase the minimum wage.” Most of the groups are asking for \$10.25 or \$10 an hour now, not multi-staged. But I'm more curious here about the “targeting mega-employers who hire at a very basic wage.” We did have one deputant who, when I pointed out that the biggest companies that pay minimum wage in Ontario are probably McDonald's and Wal-Mart, came to their defence, said that that was okay. That surprised me a little because the small business people, when they came, said that almost all of the people who belong to the small business groups pay well in advance of minimum wage. Should we be legislating big companies that are traded on the Toronto Stock Exchange like Wal-Mart, McDonald's and others that they cannot pay this kind of money? Do we single them out? That's what you're suggesting.

Dr. Dan Andreae: Certainly we believe in incrementalism. We believe in the minimum wage being raised to \$10, yes, absolutely. The question is doing it in stages. Our information may differ from what you heard earlier on today. Our experience is that people in smaller businesses don't necessarily pay as much. We want to make sure that the engine that drives the economy—and in our perspective, it would be small business that really drives the economy, in large part—that it's done in a way that is acceptable to them as well. So we would start with the larger companies that we know are in a position to afford it and then work to achieve that all the way around. But again, incremental; that's why we talk about a multi-stage process, to do it when it's possible to do it.

The Chair (Mr. Pat Hoy): Thank you for your submission.

GREATER KITCHENER WATERLOO
CHAMBER OF COMMERCE

The Chair (Mr. Pat Hoy): Now I call on the Greater Kitchener Waterloo Chamber of Commerce to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for Hansard.

Mr. Art Sinclair: Good afternoon, Chair. My name is Art Sinclair. I'm director of economic development with the Greater Kitchener Waterloo Chamber of Commerce. I would like to thank the committee for the opportunity to appear this afternoon on this fine southern Ontario day in January. I'd better not continue with that line because I've been told on a number of occasions by people from northern Ontario that on days like this we shouldn't complain about the weather, so I won't.

1400

We have provided a written submission of our issues, and at this time I will be providing a brief summary of our key points at this time of year.

As the largest accredited chamber of commerce in Ontario, our organization serves over 1,900 members representing all sectors of the local business community. The membership includes small, medium and large employers who provide 70,000 jobs in one of Ontario's most progressive, innovative, entrepreneurial and economically diverse regions.

Our chamber's mission is to serve the local business sector and be their advocate on the advancement of a regional agenda for prosperity. We believe that the prosperity of our community originates from the productivity of our membership.

Firstly, in our presentation to this committee approximately a year ago today—we appeared on January 29, 2007, in Hamilton; I know a number of members here today were at that hearing as well—we proposed a series of recommendations related to infrastructure development and tax cuts which we considered as priorities for both our region and businesses across Ontario. We would like to commend the provincial government for delivering on these proposals, which provide fiscal relief to our members and initiate some critical infrastructure projects that are central to our local capacity and ability to manage growth in Waterloo region.

Our key priority in January 2007 was the immediate elimination of the Ontario capital tax. We cited in our submission a series of studies that overwhelmingly indicated that Ontario corporate taxes were not competitive with neighbouring jurisdictions. In particular, we noted that the capital tax provided no relationship to the profitability of a business and ultimately discouraged expansion.

We therefore strongly support Minister Duncan's proposal in the recent Ontario economic outlook and fiscal review to eliminate the capital tax for the manufacturing and resource sectors, including forestry,

effective on January 1, 2008. We are also supportive of the cut to the capital tax rate for all businesses by 21%, retroactive to January 1, 2007.

One year ago, our chamber recommended that the provincial government implement property tax fairness. Central to this proposal were widely varying business education tax rates and our contention that there was no justification for two similar business properties being charged differently for an education system that equally benefits all Ontarians. We are again strongly supportive of Minister Sorbara's proposal in the 2007 budget for a province-wide \$540-million reduction in BET rates across the province over the next seven years. This will save Waterloo region businesses approximately \$36 million over that aforementioned time frame.

It is anticipated that the population of Waterloo region will increase from our current level of 507,000 residents to 729,000 by the year 2031. Investments in infrastructure are critical for the effective and coordinated management of that growth.

The provincial government provided two critical announcements related to Waterloo region infrastructure over the past year. The 2007 budget allocated one third of the project costs for the region of Waterloo rapid transit system, an initiative that our chamber has advocated in numerous submissions to both the federal and provincial governments. In June 2007, MPP John Milloy announced on behalf of the Minister of Transportation that the provincial commitment will be expanded to two thirds of the project, with a further assurance that the province will collaborate with the region of Waterloo to secure the remaining one third commitment from the federal government.

In January 2007 we also asked that the province expedite plans related to the construction of a new Highway 7 between Kitchener-Waterloo and Guelph-Wellington county. In March, former transportation minister Donna Cansfield was in Kitchener to announce that work is proceeding on a highway design and acquisition process. While actual construction may be some time in the future, we are making progress on this important link between two important urban centres.

Our critical priority for 2008 is the physician shortage experienced by the residents of Waterloo region and across Ontario. After reacquiring an underserved area designation in September 2006, Kitchener-Waterloo again lost the status this past spring, significantly placing our community at a disadvantage in terms of financial incentives offered to potential new physicians. Local estimates have indicated that more than 30,000 residents do not have access to a family doctor, translating to a requirement for 22 new practitioners.

In our brief we have cited a number of structural inequities with the current underserved area program and the issues that some communities across Ontario are struggling with in their efforts to attract doctors. For example, communities with teaching facilities are disadvantaged due to an antiquated and inaccurate mechanism for calculating the family-doctor-to-population ratio now

established by the province at 1 to 1,380, or one family doctor for every 1,380 people in the community. This standard fails to consider that some municipalities are regional health centres and have assumed the responsibility for the provision of health care services beyond their local population.

Specialty services such as regional cancer centres or children's hospitals require large physician staff complements who are not practising family medicine. These individuals are considered as specialists and included in aggregate totals for calculations on underserved area designations. Furthermore, provincial standards fail to recognize that while teaching hospitals have doctors on duty, they are not practising primary care family medicine.

While some indicators are showing progress, the chronic shortage of family physicians will not disappear in the short term. The province must continue to accelerate efforts to graduate more doctors, retain physicians currently in practice, and repatriate those who have left for the United States and other jurisdictions. In the short term, the Ministry of Health and Long-Term Care can correct the inequitable situation that exists between those communities that are designated as underserved and those that are not. Communities that are designated as underserved carry a significant advantage over those who are not from both a health care and economic development perspective.

We submit at this time that an extensive and wide-ranging review of the underserved area program is urgently required. In our written brief, we have outlined a series of recommendations to revise the formula for the calculation of designations. As we move forward on this issue, it is imperative that the province recognize the particular circumstances evident in communities that provide regional and specialty services and ensure that physician/population ratios reflect the actual number of practitioners providing primary health care to families, along with accurate estimates on population data.

Our brief also identifies issues related to human capital and the ongoing requirement to ensure that employers have access to a skilled and knowledgeable workforce. As the Task Force on Competitiveness, Productivity and Economic Progress led by Dr. Roger Martin has noted, business leaders must focus on productivity-enhancing equipment and technology, along with more investment in people's education and skills.

Locally, the Conestoga College Institute of Technology and Advanced Learning has drafted an expansion proposal for a new technology campus to be constructed in Cambridge. The current Conestoga facility is undersized for its community and catchment area, and could easily double in size from 7,000 to 12,000 full-time students and from 3,000 to 4,500 apprenticeships. Increased capacity at Conestoga will provide skills training and career services for new graduates, immigrants and displaced manufacturing sector workers. Significant training opportunities will be provided for the existing workforce, including skills-based programs in

technology and business. The expansion plan also proposes 1,000 new apprenticeship spaces in transportation, construction, culinary, and industrial trades, and the expansion of the current health care training capacity.

Our chamber and organizations throughout Ontario and Waterloo region are strongly supportive of the Conestoga expansion proposal, as college staff have collaborated with local employers on identifying potential workforce issues and developing solutions. We seek a financial commitment from the provincial government to move this important initiative forward.

Finally, the Ontario business community is increasingly concerned with the current municipal fiscal relationship with the provincial government, the delivery of services and the deteriorating condition of infrastructure. Our chamber views the current Provincial-Municipal Fiscal and Service Delivery Review as an imperative first step in addressing the gap between municipal responsibilities and current financial capabilities.

1410

However, at the same time, we do not support the extension of broader powers of taxation to municipalities in a capacity similar to the new City of Toronto Act in 2006. Combined with a rising Canadian dollar, increasing foreign competition and declining American demand, the Waterloo region business sector cannot absorb any additional municipal fees at this time.

Again, our chamber supports the direction assumed by the government over the past year with respect to corporate tax cuts, lowering operating costs and increasing the competitiveness of Ontario business. In the future, we seek a level playing field for the recruitment of physicians, investments in local skills training and the start of substantive initiatives to address the current municipal-provincial imbalance.

Thank you again and I would welcome any further questions from the committee.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government.

Mr. Wayne Arthurs: Mr. Sinclair, thank you for your presentation this afternoon on behalf of the Greater Kitchener Waterloo Chamber of Commerce; lots of material in there for us. I'm going to take my question in an entirely different direction, if you don't mind. You can choose to respond or say, "No, I'd rather not go there at all."

We've had a number of presentations during the past week and a half from groups speaking to the issue of poverty, speaking to a strategy of how one gets out of poverty. Kitchener-Waterloo has been a pretty successful community. It's done reasonably well over the years; your membership is large, a strong organization.

Four years ago, when we came to office, we made a commitment to increase the minimum wage to \$8. One of the other two parties made a similar commitment, but I think their intention was to maybe implement it all at once as opposed to staging it. During the course of the last four years, proposals came forward then to increase the minimum wage to \$10 immediately. Prior to the

election, our government committed to a three-stage increase, \$10.25 at 75 cents each of three years, which we stand by as part of the government's strategy.

Can you talk to us a little bit about the impact of increases in the minimum wage staged as opposed to doing it in a single entity; what the impacts are on the smallest of the small businesses; and how business will work, as they have with the increases from \$6.85 to \$8, to absorb the increases as we work towards giving people an opportunity to move to what we all maybe agree is a living wage or something in that range?

Mr. Art Sinclair: Thank you for the question, Mr. Arthurs. This is an issue that we have discussed at the chamber; however, we have not taken a position. I guess the challenge we have as a chamber of commerce is that we have members from virtually every sector of the local economy. We have tourism operators, people in the hospitality industry, for whom this issue is an imperative. Of course, we have people in the technology sector, we have people in the manufacturing sector; their wage rates are above the minimum wage level.

So we really haven't taken a position on this. We have, I guess, kind of deferred to provincial organizations, such as those in the hotel, hospitality and tourism industry, that have taken positions and made advanced proposals to the government.

Mr. Wayne Arthurs: Did the increases that we saw during the last mandate, up to \$8, create any substantive hardship for your membership that you're aware of?

Mr. Art Sinclair: Not that I'm aware of, no.

Mr. Wayne Arthurs: Thank you for responding.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO CATTLEMEN'S ASSOCIATION ONTARIO CATTLE FEEDERS' ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Cattlemen's Association to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Dave Stewart: Thank you, Mr. Chair. My name is Dave Stewart. I'm the executive director of the Ontario Cattlemen's Association and I'm here today representing the Ontario Cattlemen's Association and the Ontario Cattle Feeders' Association.

We've handed out a small briefing kit. It includes a two-page pre-budget submission, which I would like to read into the record, an attachment of what we're trying to do to help our industry move forward, and another one showing how the real price of cattle has declined significantly with the implementation of the enhanced feed ban regulations. Appendix III is an outline of a risk management program that would be self-directed to attempt to expand the industry in Ontario. The fourth

attachment is an economic impact study of beef and cattle in Ontario that was undertaken by the University of Guelph, and some of the numbers from that study are quoted in our submission, so I thought you should have the full study.

Representing the organizations that speak for over 19,000 beef producers in this province, I would like to begin by offering my sincere thank you for the support for livestock industries announced in your economic statement. I acknowledge that this support placed Ontario in a leadership position vis-à-vis the federal government, and we are actively encouraging our federal government to move forward with tangible support.

I would also like to thank the minister for comments in his economic statement recognizing the importance of farms and farm families. Working together, we can capture the value created by the current commodity bull market and ensure that future Ontarians have a secure supply of safe, healthy and nutritious food produced locally in their own province.

In terms of the budget, there are two things specifically that we would like to see. First, we're requesting that the provincial government commit to continue to provide financial assistance throughout the upcoming year in the form of a payment program that would be calculated quarterly, based on the number of animals marketed in the quarter and on the market prices realized. The amount of the quarterly payment could be negotiated between government and industry. As with the most recent support, this payment should be decoupled from CAIS. We recognize that this is a short-term patch to address the difficulties we face; however, the farm families we represent need that lifeline to get to 2009.

Second, we're requesting that the province provide a \$20-million grant to fund a pilot program to manage risk for farmers supplying Ontario corn-fed beef. Details are attached as appendix III. As you may be aware, Ontario corn-fed beef has this past year gained acceptance by the Loblaws chain of retail stores. We have featured Ontario corn-fed beef at each of our annual Queen's Park barbecues since their inception. We are confident that with your support, we will demonstrate the feasibility of a risk management ledger account program, which will lead to growth for the brand through stable returns to producers. Support for Ontario corn-fed beef, a large vertical value chain, is one way in which our industry is participating in the Buy Ontario strategy and at the same time demonstrating leadership in presenting sustainable solutions.

Currently, our producers are caught in a real margin squeeze. The three main reasons why we have seen margins erode are: the introduction of the enhanced feed ban regulations not in harmony with our major trading partner; the rising Canadian dollar; and surging grain and oilseed prices due to government policy-driven establishment of the biofuel industry in Ontario, Canada and the US.

The entire beef industry is facing serious financial challenges with the resulting impact being worse than the

damage caused by BSE. Finished cattle pricing levels are so low, producers currently are losing \$300 per head as they sell market-ready inventory. An important point to note here is that we're sort of a biological producer and these things are planned out years in advance—in our case, a couple of years in advance—and then when things shift rapidly, we can't respond rapidly. Anticipation of high feed costs is driving down replacement cattle prices and cow-calf operators are facing prices which could mirror those of 20 years ago. We expect that losses will continue for the entire year and recovery will begin in 2009. The pork industry is also in distress, and losses will be felt in other infrastructure segments such as feed dealers and other input suppliers. If we allow the feedlots to decline, this in turn will lead to further losses of processing jobs in urban Ontario—like your riding, Liz—and a concomitant reduction in Canadian value-added GDP.

1420

The beef industry is very important to the province of Ontario. Stats Canada data show that there were 19,000 beef farmers in this province in 2006. Beef farming is especially important because it is carried on in every county and district in Ontario. By supporting the Ontario beef industry, the McGuinty government is investing in the families, businesses and communities of rural Ontario. The income and employment derived from this industry help support a broad range of rural infrastructure such as hospitals and schools. Beef farms create jobs in rural communities, from feed stores to grocery stores. Government and industry co-operation and collaboration can provide great opportunities for the farm families of Ontario and for the future generations of farmers.

Some of those statistics that I mentioned from the economic study: The value of beef production in Ontario in 2005 was \$1.2 billion. It's a positive contributor to Canadian GDP, \$964 million, and employs over 13,000. But for every drop in sales of \$10 million, value-added GDP will drop by \$7.4 million.

We do applaud such initiatives as increasing marketing and sales of Ontario product in Ontario. Also, we greatly appreciate the support your government has demonstrated through the inclusion of Ontario corn-fed beef within the Foodland Ontario banner. As you are aware, we have begun the delivery of support for regional marketing initiatives around Ontario, believing that local value chains are a good option for some family farms to pursue. We are convinced that these initiatives, and others outlined in appendix 1, will lead to a strong and sustainable beef industry which will positively contribute to Ontario's economy into the future.

I would also like to take this opportunity to express the importance of non-BRM programs to the beef producers of Ontario. While business risk management programs provide financial options for our farm families, all programs and policies have a great effect on their long-term profitability and competitiveness.

We request that all programs and policies be created with three principles in mind: First, a primary focus of

every program and policy should be to foster the competitiveness of Ontario's beef industry and producers on a global basis. Second, efficient regulatory processes that enhance competitiveness and innovation should be a clearly stated aim of policy. Third, policies should recognize the individual needs and differences of producers and provide for flexibility in delivery to accommodate regional issues. Each policy area, be it market development, food safety, research and innovation or the environment, should follow these three principles.

These requests are jointly endorsed by the Ontario Cattlemen's Association and the Ontario Cattle Feeders' Association. Thank you, Mr. Chair.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to Mr. Barrett.

Mr. Toby Barrett: Thank you for the presentation on behalf of the cattlemen. Thank you for yet again another barbecue.

Mr. Dave Stewart: We hope to be there again this May or June.

Mr. Toby Barrett: We hope you're there with the corn-fed beef.

I hear what you're saying on the \$20-million grant to help bring this in, and it looks like it's good news with Loblaws. I've certainly attended my local cattlemen's Haldimand and Norfolk meeting, and I appreciate the need for, as you call it, a short-term patch to try and get us through this year of payment without having to go through CAIS and what have you. Probably not much can be done about the Canadian dollar, and we're told to get more competitive. I know in Haldimand county we're going to lose our cattlemen. Some of them will still be farming and still working in the steel mills, but they'll be growing corn or soybeans. I think that is quite regrettable because that has been the anchor of that county for 100 years, I suppose.

The enhanced feed ban: I guess part of this is federal, and maybe you could briefly expand on that a bit. I understand Canadian cattle, maybe eastern Ontario, are shipped over the border, processed in the United States and shipped back. Is that part of it, because they've got a different set of standards over there?

Mr. Dave Stewart: Yes. Right now there's a cost advantage to processing in the US because of these enhanced feed ban regulations of somewhere between \$40 to \$80 per head, depending on the plant and how the plant is set up. So there's quite a financial benefit for moving those jobs out of Ontario and out of Canada, and I think that's a shame.

Mr. Toby Barrett: I know Ted has a question, but one more on the grain and oilseed prices: Part of my income comes from soybeans, and we welcome that, but we know, and as you've stated, due to government ethanol policy, at the Haldimand meeting we did put forward a resolution that will be coming to the OCA with respect to this and the pressure that's put on anybody feeding livestock, cattle or hogs. Because government policy has created this change in price, the reasoning is, where is government policy with respect to compensation

for any negative effects it may have had on other commodities like beef or hogs? Any comment on that?

Mr. Dave Stewart: One of our positions, and it's been a position since we were in the discussions over the Nutrient Management Act, is that before any regulation is enhanced, we've got to take a look at who benefits and who pays. So we have a position that, before new policies or regulations come into place, we would like to see an economic cost-benefit impact study. That's a standing position for our association.

The Chair (Mr. Pat Hoy): You have about two minutes.

Mr. Ted Arnott: Hi, Dave. It's good to see you. I just want to congratulate you and compliment you on the outstanding work you have done and that your organization has done to represent your membership during the current crisis we're facing in the beef industry. We had a chance to see each other at the emergency meeting that took place in Listowel before Christmas. I think the cattlemen's association has been a real stalwart in terms of its representation of its members as we go forward in relation to the ongoing efforts to get the government to support the beef farmers.

I had lunch today with a gentleman who used to be involved in the beef industry and who came from a farm family years ago. We were talking about the current crisis, and I said, "What exactly does the government need to do, in your opinion?" He said, "Government needs to help keep the farmer alive in the next year." That's exactly what you've said in other words in your presentation. I certainly would express my strong support for what you're asking for from government. Hopefully, during the concluding part of this process, where we make our recommendations to the Minister of Finance, you can be assured of the support of the Progressive Conservative caucus as we call upon the government to continue to support your members and your industry to get through this crisis so that in the future they have years of profitability ahead of them.

Mr. Dave Stewart: Thank you, and thank you for those kind words about our association. One of the things I've appreciated, being executive director of the association as we've gone through BSE and now are in a bit of a bad market slump, is the fact that all parties have been able to work together and come together for the farmers of Ontario. We do appreciate that; we appreciate the great support we've had from all parties.

The Chair (Mr. Pat Hoy): Thank you for the presentation.

ONTARIO VETERINARY MEDICAL ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Veterinary Medical Association to come forward, please. You have 10 minutes for your presentation. There could be five minutes of questioning. Please identify yourself for Hansard.

Dr. Reg Reed: Good afternoon. My name is Dr. Reg Reed. I'm a mixed animal practitioner, a veterinarian, from Perth county, in the small town of Mitchell, which isn't too far from Listowel, which was alluded to in the last presentation. I happen to be the president of the Ontario Veterinary Medical Association. This is the second time I have been to the standing committee on finance and economic affairs pre-budget meeting. I've also been at two of the pre-budget deliberation meetings recently—one in Hamilton—and the OVMA was also at meetings the year before that. So this is the third time we've been at this meeting and three times at the pre-budget deliberation meetings, all kind of emphasizing or asking for the same thing: for the government to recognize Ontario veterinarians as health care providers, and to provide us with the same tax considerations as other health care providers, namely doctors and dentists. You may remember that we were the only health care providers left out of the 2005 legislation that would, subject to the enactment of appropriate regulations, allow health care providers with professional corporations to reduce their families' income tax burden, allowing family members to become non-voting shareholders in their incorporated business. That's the gist of this.

1430

It's interesting: The previous speaker, Mr. Stewart, alluded to the crisis that is the rural area with the cattle industry. Also, the swine industry is in the same sort of turmoil. Over the past five years, 25% of food animal veterinarians have left the industry. Most food commodity animal groups—the cattlemen's association, the pork producers, dairymen—are becoming concerned about the lack of veterinarian services that they can obtain. One reason is that, as there had been contracture in their industry, there has also been contracture in ours. As I said, 25% of us quit. You're out there, working long hours, driving further distances because there are fewer of us. Your weeks may be 70 hours, so to sustain some sort of normal family life, your wife stays home. Our income looks pretty good because we're working so many hours, but then it's taxed away. Too many of us are feeling, "What are we doing this for? Let's move to town, work fewer hours, make whatever, and our wives can work and we can have a much better family life."

I think the whole thing of providing service to food animal agriculture is essential. In the handout that I've submitted and passed around, if you take a look on page 2, "Quick facts: Ontario has the largest agriculture sector of any province, with sales of \$8.2 billion in 2005. Of that amount, 55%, or \$4.5 billion, is derived from the livestock and poultry sectors." We're integral to those endeavours. If you ask the Minister of Health today about how important we are, with zoonotic disease—the mess they're in with this rabies problem that they're currently dealing with—I think he'd agree that we're definitely health care providers. We're integral to protecting the Ontario population.

If you're looking at sustainable agriculture, we're part of that. This tax consideration would definitely help us. If

the veterinarian was able to split his income with his spouse through that tax grant the same way doctors and dentists are—I argue that we are health care providers as well—it encourages those veterinarians to stay in rural towns like Mitchell. It'll help sustain rural agriculture, food animal agriculture.

That is, in essence, the gist of my presentation. You may remember our discussion at last year's meeting. I mentioned at that time that the Minister of Finance's policy adviser in 2006—when we recognized that we'd been overlooked, we approached them, and that adviser said, "Well, of course, we do recognize you as health care providers. It's an omission, it was a mistake," because we're governed by the Veterinarians Act, which is governed by a different ministry—the Ontario Ministry of Agriculture and Food—rather than the health care professionals act, which is governed by the Ministry of Health. So that's how we slipped through the cracks in the floor. They thought, "We'll fix that soon." However, that policy adviser left his posting. Since then, we've been struggling to receive the same sort of recognition.

I do believe that political aides changing positions should not result in the government not being accountable for their commitments. "Accountability" is a word we hear over and over from CFIA and other government agencies. When I'm working on the farm, I'm accountable for certain advice regarding welfare and reporting certain diseases that are reportable.

My impression last year at the Belleville meeting was that the committee seemed as surprised as we were that this hadn't been rectified yet. Yet when the budget came out, it still hadn't been rectified, which led us to a lot of confusion and frustration.

Tomorrow is our annual Ontario Veterinary Medical Association conference in Toronto. We have our annual general meeting on Friday, and I will be reporting to everybody that we are still not considered health care providers and that we're still not taxed the same way, which is going to be a bit of a negative report for the past year. But we are pushing on with this because we feel it's especially important for our large animal food veterinarians to help sustain ourselves in rural communities.

Most of the submission you have in front of you is actually much the same as what we have submitted in the past. Again, under those quick facts, one other thing we haven't mentioned is that there are several hundred—just coming back for a minute, we are a small group. I apologize; I realize that a lot of the people who have preceded me represent a lot of people and certainly deserve your attention. We are a small group; there are only 3,300 of us in Ontario. A couple of hundred that aren't mentioned there are involved in academia, research and working for pharmaceutical companies that help to develop new technology and bring that new technology to us and the human profession to deliver. Again, that's just to emphasize how we are involved in the health care profession.

We have mentioned different programs that we're involved with. On page 4, the VSTEP program: It's kind

of amusing to us that the government considers us health care professionals when it comes to establishing a program like that, but they don't consider us to be health care professionals when it comes to tax considerations.

Our MPP link program: Pretty well all of the MPPS that we have talked to have sided with us on this issue when we've talked to them directly about it.

A further consideration: It was interesting. Last year Dr. Bob Friendship from the University of Guelph came to me and said, "Reg, we've got funding from OMAFRA. We want to monitor what's happening in the field, and we'd like food animal practitioners to provide us with a form, faxed in once a week, listing all the different things you've seen out there. For instance, maybe you see sows terrorizing their housing three times that week and you don't think anything of it, and maybe the other veterinarian who works with swine in your practice sees a couple of those cases, but the two of you don't talk about it and don't realize something's going on. And maybe, because you're not communicating with other swine practitioners out there, the same thing may be happening in their practices, but you're not putting two and two together that there's an issue happening here. So we'd like everybody to list the different diseases or conditions you see during the week and fax them in. We've got money to collate this and put it together in a computer system, where we can watch disease trends. This will help us pinpoint what's happening in agriculture, and we're going to implement it in the swine industry first." I said, "Bob, why would we do that? First off, you always tell us that information is money, and it's going to take us extra time during the week to do that." He said, "Well, because you're good guys and you're interested in the health and well-being of Ontario citizens." I said, "Yes, but they don't treat us as health professionals." So I asked him to take it back to OMAFRA to see if we couldn't get some push from them for consideration.

This is the type of thing we're often asked to help out with in human health. I know in Perth county, after this rabies situation, the health officer will be asking us to provide some rabies clinics, and we will be subsidizing that.

The Chair (Mr. Pat Hoy): You have about a minute left.

Dr. Reg Reed: I think I've made my point, so I welcome questions. You know what I'm asking for. Financially, it is a small group. It's going to cost the Ontario government about \$2 million to give us this, and it will help keep veterinarians in rural areas. Please consider it. I'd like to not have to come back again next year. However, thank you very much for inviting me, because that tells me that at least you're still considering it. That's good.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning goes to Mr. Prue.

Mr. Michael Prue: Thank you very much for your deputation. I'm disappointed you have to make it again

too. It seemed to me last year that the committee—all three parties—were unanimous in recommending this.

Where did this fall down? You explained that one adviser to the minister left his or her post and things seemed to fall apart. How many meetings have you had in the last year with government officials to get this on target?

1440

Dr. Reg Reed: I have only been at one before this, and that was the pre-budget deliberation in Hamilton. Our person in charge of government relations is Angela Cerovic, and I know she has been in contact with people many times.

Mr. Michael Prue: And in these many, many times nothing seemed to be able to be done. This would only require, in my view, a regulation change. Have they told you what would have to be done to accommodate this? Do they need legislation? Do they need a regulation change?

Dr. Reg Reed: I think your committee needs to take this to the Minister of Finance and make a recommendation. It's my understanding that that's what has to happen.

Mr. Michael Prue: That's in terms of the money, but I believe they'd also have to recognize the Veterinarians Act. More than likely it would have to be legislative. Has anybody indicated to you that they're preparing legislation?

Dr. Reg Reed: No.

Mr. Michael Prue: It's a simple matter for us to say, "Put \$2 million in the budget," but unless they change the legislation it might be very difficult. I would suggest your group should go to the Minister of Agriculture and press this, as well. That's just my advice.

Dr. Reg Reed: I have done that, and I have also had meetings with the chair of the rural caucus. That was last year.

Mr. Michael Prue: And they have not advised whether or not—

Dr. Reg Reed: They've nodded their heads, "We're on board"—

Mr. Michael Prue: They've nodded their heads; they want to do it.

Dr. Reg Reed: —but I don't know where the logjam is occurring, if that's what you're asking.

Mr. Michael Prue: That's what I'm trying to find out so that I can assist you, even if I only stand up in the House and ask the minister what's happening.

Dr. Reg Reed: So you think we should approach the Minister of Agriculture?

Mr. Michael Prue: To see whether or not a legislative change is required. Maybe that's the logjam; maybe it's not so much us recommending \$2 million. If you can't get the legislation changed, why would they put in the \$2 million?

Dr. Reg Reed: I think that if we're recognized as health care providers, it would go through, but maybe not.

Mr. Michael Prue: It's your act. That would be my inclination, too. I'm not a lawyer, but I think the government lawyers will be able to tell you if that's a stumbling block, and if it is, get that done, too.

In any event, all I can tell you is I think everybody around this table still supports you. Hopefully, this recommendation will go before the minister and the minister will coordinate this with legislative change. I can't imagine anyone will stand up in the House and talk about this for hours; at least I hope not.

Dr. Reg Reed: It's a small group. Thanks for bringing me back.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

HALDIMAND FEDERATION OF AGRICULTURE

The Chair (Mr. Pat Hoy): Now I call on the Haldimand Federation of Agriculture to come forward, please. You have 10 minutes for your presentation; there could be up to five minutes of questioning. I will just ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Ronald Young: I'm Ron Young. I'm the president of the Haldimand Federation of Agriculture. Beside me is Frank Sommer, our treasurer. I'd like to thank you for allowing us to speak today.

We've gone through some pretty hard times in the last little bit. The big thing is that Haldimand county has faced a lot of problems this summer, like drought, etc.

I am going to read some of this and then I'll speak to it.

We appreciate the desire of the committee to concentrate on the specific four questions posed by the minister for referral to the committee. The major problems faced by our farmers, however, are current, immediate and do not lend themselves well to debate and extended dialogue. It seems we are constantly drifting from crisis to crisis without real opportunity to stop and deal with the systemic weaknesses of the agricultural sector as a whole. We need immediate action to prevent serious damage to our industry and to counter the very real and immediate threats facing our farmers.

Just to follow up on the previous speaker, the veterinarian: I'm a cow-calf operator, and large-animal vets are a major concern. We have put things through to the OFA to try to promote getting more large-animal vets within the province. We tried to make it so that if you go through the Ontario Veterinary College, you have to do a stint in large-animal practice—anything to keep them in there. So far, it's kind of fallen on deaf ears. There's too much more money in pet vet medicine than there is in large-animal practices.

One of the other things is that in Haldimand county the soils are heavy clay. They impose unique limitations to the diversity of our agriculture. The majority of the land base is devoted to livestock and grain production. We do have some pockets that are suitable for market

gardening and the fruit and greenhouse industry within the county.

Last year, we had a severe drought. Parts of the province were blessed with rain, but we weren't. Our hay crops were anywhere from a quarter to a third of normal production; pastures would be the same. On existing insurance policies—CAIS, the various different programs—they're not covered. Grains are, but the pastures aren't.

The BSE saga has caused a lot of problems in the beef industry. There's a meltdown right now on beef: The calves are bringing nothing at the sale barns and finished beef products are down. The price is still up at the stores; it hasn't dropped there. With those prices like that, you can't afford to buy hay. The moral of the story in our area is that a lot of the beef farmers are actually getting rid of their cows and calves because they just can't afford to keep taking a loss on them all the time. Prior to BSE, the cattle industry was looking good. Personally, we got \$1.40—for 700-pound replacement calves; this fall, I got 65 cents for the same calves. So you can't afford to keep going that way. It is now becoming a burden on families. There are no finances there. There are two people, generally, working. One or both have off-farm income to support the farming.

Along with that, the pork industry is in real financial strain. It's been well publicized; you can't open the paper without seeing something about the price of pork. Some of this is also coming into effect because of the US dollar dropping down in relationship to our dollar.

One of the concerns that I have is about the costs of compliance to produce food within the province and the country. I've listened here to some of the various things, and some of them are minor, but some of them add up—like licence fees for businesses and vehicles. I have a \$900 bill for vehicle licences. You have to do e-tests on your vehicles; you have to do safety tests on them. The minimum wage will be bumped to \$10.25, coming up. Workmen's compensation is \$7.10 per \$100, so that's another 73 cents on that minimum wage. You also have to supply the EI and CPP portion of their premiums.

One of the major thorns in my side is that we're being legislated to have to have all the safety training—WHMIS, chainsaw, all the different courses like that. It's mandated in department of labour standards that you have to have a certificate to say you can operate that chainsaw. That costs money and costs time. That's one of the bad fallouts. The province could pay for and put on these types of training seminars. It would not affect any of the free trade agreements because it's not a subsidy or anything else, and it would be a boost to helping farmers.

Along with that, there's the cost of health and safety representatives and committees—again, coming back to department of labour standards. Farmers within this country practise some of the highest standards for all phases of food production anywhere in the world. In most cases, there's a fairly good traceability of food from the source to the store.

Now we're faced with nutrient management compliance, and there are costs involved in that.

There's a lucrative nightmare of obtaining building permits: MDS—minimum distance standard—formulas and engineering stamps on drawings before you can get a building permit. It all costs more money.

1450

These are just some of the additional costs required to produce some of the world's safest foods. While the objective of these measures can hardly be argued with, it must be realized that farmers not under the supply management umbrella simply cannot pass on these ever-increasing costs of production. They must in fact compete with imported product produced with much lower labour and environmental standards. That's a major concern.

The ongoing uncertainty in the progress of WTO negotiations and the long-term sustainability of supply management commodities is resulting in many of our smaller dairy farmers abandoning the industry and selling their cows out because they don't know whether they're still going to be here next year or not.

The threatened closure of processing facilities affects both livestock and fruit and vegetable producers. Recently there was a tender fruit plant closed in the Niagara Peninsula, and that was, I think, the last tender fruit processing plant this side of the Rocky Mountains. Now my neighbour has put in a pear orchard; he has no place to put his pears and sell them. There's a lot of that in the province, so now we have this situation of nowhere to get it done. That's another farmer who's going to be looking for something.

Some of the observations and recommendations:

There's a mood of despair in sectors in our farm community that cannot be underestimated. Of primary importance is the need to deliver promised aid as rapidly as possible with a minimum of red tape.

It must be recognized that not all costs of compliance should be allocated to the farm sector. The cost of compliance such as specified risk material and dead stock management is of no direct benefit to the primary producer and should be considered a cost to society at large. Basically getting rid of those parts, the farmer doesn't receive any money for them anyway, so it's the consumer who benefits from that, and safety.

The farm sector is at least as important to the health of rural Ontario as the auto sector is to Windsor and Oshawa. We urge the Ontario government to aggressively pursue the retention of the remaining processing facilities in the province for agricultural purposes.

It is vital that the Ontario government co-operate with the federal government to counter determined efforts of the US government to recapture a larger share of world trade through a devalued currency. The survival of Ontario agriculture is at stake.

We really, really need to keep it going because once it's gone, it's going to be hard to bring it back.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mr. Wayne Arthurs: Gentlemen, thank you for being here. Some of those around the table are far more knowledgeable in this sector than I am, those who are practising in the field, as such. So I feel a little less at ease in having the questioning at this point, but that's okay.

First, thank you for the work that you do, on behalf of all of us as we use the products that the agriculture and farm community provide for us on a daily basis. Obviously it's important. The challenges are significant, and you've articulated them extremely well as to where we find ourselves today.

The recommendations you're making are broad and fairly generic. Is there anything within that context that you would like to focus on more specifically that the committee should be considering as recommendations to the finance minister in real-dollar terms?

Mr. Ronald Young: It's very hard, because each sector has its own unique needs. The biggest problem is that people are still reeling from the BSE problems that started in 2002 and 2003, and they've never got really on their feet from that. In a lot of the cases, the timing from when monies are made available until they actually get to the farmer is such a long time frame that it almost becomes redundant. Right now, people are still hurting from last year because of the drought. We have no monies coming in to help us for that. Do we go ahead and plant or put crops in this year? You have to make that decision before monies are available. So there's that. It just takes too long for it to come through.

Mr. Wayne Arthurs: In my limited time, my experience has been that we're often times trying to play catch-up with all of the various aid programs. The provincial government in a number of years—and just in my limited experience, the last four years, it has been that almost each time there's an opportunity or need to address a specific sector and try to bandage it and hold it together a little bit with some support—everything from processing plants or dead stock or the BSE or grain oilseeds—there doesn't seem to be much let-up along the way in being able to get out in front of it sometimes, rather than always playing some catch-up.

Mr. Ronald Young: I think it's a little bit like the automobile industry. You have imports coming into the country and you want to protect your own business here. We can see it being eroded; that's what's going to happen here. I know with the tender fruits, the pears and peaches and that are coming in from China. Their health and safety standards, as far as how well the product is done, what pesticides are used over there—we have no record of that. So we're not on an even playing field, and how you correct that, I don't know.

Mr. Wayne Arthurs: One of the recommendations and comments we've heard at various times is that we need to do more to promote Ontario or Canadian product as much as possible, put some additional strategies in place so that the consumer is better educated or more aware of the availability, rather than just going to the store and picking the first thing from under the counter,

and not necessarily paying attention to the products that they're actually buying. From a broad public perspective and an education perspective, would that in the longer term also be a benefit?

Mr. Ronald Young: Yes. One of the things too is that right now—I could be wrong but I think the number is that if there's 51% of value into a product, it's considered a product of Canada. So if you were to buy carrots from Australia and you packaged them up here and if 51% of it was Canadian, then automatically that's now a product of Canada. There was a caption in the paper recently, and it said “Product of Canada: Cut from USDA Number One Beef.” I mean, that really sums it up. How does a consumer—it says “Product of Canada.” So there really needs to be—I think it's called “country of origin,” and that's what you really need to have on your labels.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

I'm advised that none of the next presenters are here, so we'll recess until one of them should arrive. Please stay by.

The committee recessed from 1458 to 1508.

UNIVERSITY OF GUELPH

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. We have the University of Guelph here. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questions following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Pamela Wallin: Thank you, Mr. Chair, and thank you for the opportunity to be here. I'm Pamela Wallin. I'm the chancellor at the University of Guelph and relatively new to the institution. But as some of you will know, I've been up to my neck in Afghanistan, and came down here today, and it's actually because these issues are related. Our time on the ground in Afghanistan, needless to say, was a life-changing experience. One of the things we witnessed was young girls going into schools, probably at the age of 11 or 12, and picking up a pencil for the very first time and writing on a piece of paper that they're sharing with two other young girls in a room that doesn't have any electricity. It becomes pretty stark to you just how important the question of education is. So it's the reason I'm here today. When the president called and said this meeting was under way, I felt that it was important to try, if I possibly could, to share with you some of the passion that I feel about this.

When Alastair called me to ask if I would consider being chancellor, there weren't really enough hours in the day. But because of what the University of Guelph is doing, what universities across this country are doing and what this institution in particular is doing, I feel that it's really important. You may or may not know our slogan. You'll see it in some of the documents that you've got: “Changing Lives; Improving Life.” That's the very thing that drew me to this institution in the first place.

The kind of work that goes on in our universities now is fundamental, literally, to how we are going to live and breathe in the future: how we're going to deal with our economy; how we're going to deal with the bio-economy; how we're going to deal with our environment; how we're going to deal with the multiplicity of issues that are impacting us, things we couldn't even have imagined 20 years ago in terms of change—disease and all of these things. Guelph is really a place that's creating answers. I was amazed to discover that in the agricultural sector there's work going on at Guelph that is changing the tobacco fields, using that same plant for something that will become the base for antibiotics, something we're all going to have to be dealing with; and plant parts, plants that are becoming auto parts because steel is just too expensive. It's one of the very few places in North America—I think it may be the last place that is doing the real research for NASA about life in space, again, quite literally. The work is amazing, and it is so important in these institutions.

One of the things Alastair had said to me when we talked initially about my coming to be the chancellor there was that we need to be re-envisioning education with all of the technology, with all the pressing issues that are out there now. It can't be the good old days the way we probably all experienced post-secondary school. It's got to be new.

I do want to say that I think the provincial government—and I know the Premier. He came to the United States several times when I was there as consul general, and I know this issue matters to him. He really has shown leadership in terms of the support for post-secondary education, and the emphasis on research and innovation is also really important. In an earlier life I sat on the board of the University of Waterloo. We've seen that prime example of where the community and the university come together. I'm telling you, there wasn't a day in New York that I as consul general didn't hold up that BlackBerry and say, "This is what Canada is about." We're doing those things at the University of Guelph with the same kinds of connections that exist between the corporate world and the university world: Monsanto and companies that are helping us come up with some of these answers. This is crucial because we have to be creating the kind of workforce of tomorrow that has to be educated on these issues, on these bases. It's a much more complicated world out there, and education needs to reflect that.

The kind of investment this province and the people of this province have put into the system so far is huge and, as I mentioned, through research and innovation and even recently on the building renewal funds—I'm thrilled to bits about that. Even on these old campuses you've got these wonderful old buildings that you want to save. But it is so crucial, in running a university, that we have to be able to plan for the future. Again, we've seen some willingness now to talk about long-term sustainable funding so that we can plan in a more intelligent way, like companies do, and have a business model and a plan

that will get us into the future. But you need longer-term planning for that.

I just want to leave you with the thought, and it's of course why you're on this committee and why you care, that the universities today are vital in generating the jobs and the wealth of our future so that we can continue to live in the kind of country that we live in. Believe me, you don't always need to go to these places that are so profoundly poor, but when you do, it makes you appreciate in an extraordinary measure what we have here. It seems so simple and it's so obvious that education is at the core.

Again, thank you for giving me this opportunity.

Mr. Alastair Summerlee: Thank you very much, Pamela. I'm Alastair Summerlee. I'm the president and vice-chancellor of the University of Guelph. I echo the comments of the chancellor, thanking you for this opportunity.

There are two messages that I would really like to leave the committee with. One is that there has been an outstanding investment by the provincial government in the post-secondary system, both in terms of educating students and in driving the research and innovation agenda. The second message is that that needs continued feed and care. It needs continued support for that investment to remain vibrant and successful.

It's an illustration of the power of that investment when you look at the impact that just one area has had. Recently, Deloitte produced a report indicating that for every \$1 that the provincial government has invested, more than \$21 have been returned in terms of jobs, in terms of wealth creation and spinoff activities. At that level of investment, I would suggest that this is a very important place for the province to be investing.

It is also critical for us to be training people to have a future in that new economy, especially the bio-economy. That, I think, is something that we need to think very seriously about as we're trying to protect the quality of the educational experiences at colleges and universities in the province. Part of that has to be a commitment by colleges and universities to engage in a more seamless educational pathway and processes for all of the graduates from high school or students who leave high school. There is a commitment, absolutely, from the university and college sector to do that, but it's very important for us to be thinking about how we make sure that the unique educational processes that we have in Ontario are supported. I would ask that you consider very carefully the continued support of the post-secondary system, its research and innovation agenda, and its educational processes as you provide advice to the minister.

The Acting Chair (Mrs. Liz Sandals): You're done already?

Mr. Alastair Summerlee: Done already. You wanted 10 minutes, but we're very happy to answer—

The Acting Chair (Mrs. Liz Sandals): And we got 10 minutes. It's the opposition's turn to ask questions, so over to the opposition.

Mr. Ted Arnott: I want to thank you very much for your presentation. We really do appreciate the information that you've conveyed today and the evident pride that you have in your institution. Obviously it is well earned and well deserved.

You've talked about, in general terms, what you think you need from the provincial government in terms of support for post-secondary education. Do you have any specific suggestions as to what you would expect to see in this provincial budget in terms of programming and financial commitments? Anything in specific terms?

Mr. Alastair Summerlee: Yes, there are three things that I would like to suggest. The first is that there have been protracted discussions about the renewal of the partnership between the University of Guelph and the OMAFRA contract. This is not just related to the University of Guelph; it's actually related to the agri-food sector across the province, the second-largest industry in the province and one that indeed is seeing a very considerable resurgence and clearly has an impact across all ridings in the province. There is, I think, an opportunity here, having come to the conclusion of discussions with the government about the renewal of that contract, for there to be a significant investment by the provincial government. I would hope that one of those three things would be to see a fulfillment of what has now been almost a 100-year partnership with the university sector in increasing the support.

The second thing is in terms of the quality of education. It is very clear that a significant investment has been made in the system. We need to make sure that we can capitalize on that when we have such a huge number of students who have now been able to get access to the university system. We have one of the best university systems in terms of accessibility, and we need to make sure that we can give those people the education they need.

The third is that we need to think very seriously about supporting those students to be able to afford that education—so a planned attention to student aid, student support, in being able to realize their goals in the service of Ontario.

Mr. Tim Hudak: Thank you both, Chancellor and President. Chancellor Wallin, again, thank you for all of your work on the Afghan project. We appreciate your ongoing interest in important public affairs, and congratulations on your new position at the University of Guelph.

As you may know, I represent the west Niagara area, so the Vineland Research Station, which the University of Guelph has been a strong proponent and manager of for some time now, is an important issue. We appreciate some of the recent news, and perhaps you could, if you have a chance, for my constituents, indicate some of the future plans that you see for the Vineland Research Station and Guelph's role.

My second question, in the interests of time, would be on tuition and the ability of universities to have some flexibility in administering tuition rates.

1520

Mr. Alastair Summerlee: Two things, then. Can I respond on the Vineland side? As you may know, the University of Guelph has 12 research stations spread across the province. I often talk about the fact that we probably are one of the most geographically spread campuses. It takes 29 hours to drive from one end of the University of Guelph to the other. Among those research centres is the Vineland research centre, which has recently begun a spectacular transformation, very much engaging the private sector in the renovation and development of Vineland, including the provincial government, which has come to the table—one would hope the federal government is also coming to the table—where we can truly get engaged in creating the kind of research directly related to the grape and wine industry in particular, but also the soft fruit industry. There is some mushroom work there as well. If you ever think we are involved in keeping things in the dark, it's true.

The other side that you talked about was the flexibility on tuition. Yes, there is no doubt that flexibility on tuition would be very helpful. The challenge is matching that with the support for those students who cannot afford it. I would hope that this is something that is not one side of the equation or the other but is very much related to a balance to make education affordable for all of those people we're trying to attract. We have done a spectacular job as a system in increasing accessibility—in fact, were far more successful than I think any of us thought we were going to be—and that has created a bit of a challenge in terms of the number of students who are looking for access to the university system. Needless to say, we still need to support those people, and that's a balance between the tuition and the student aid side.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

JOHN SCHEPERS

The Chair (Mr. Pat Hoy): Now I call on John Schepers to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would just ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Mr. John Schepers: My name is John Schepers. I appreciate this invitation or this opportunity. I'll just start my speech. Oh boy, I'm nervous as hell here. I'm going to do a couple of points and then do a speech, as if I'm the Premier of this province. Then I'm going to go on as to why I'm doing it. So I'll start this. Ladies and gentlemen, thanks for the opportunity.

Joseph Stalin once said, "Give me control of a nation's money and I care not who makes the rules." During the Klondike gold rush, if you were to take all the gold that was ever mined there and put it into 1939 dollars, it would only pay for 20 minutes of World War II. You see, money is but a perceived value and a gauge as to how well we feel the economy is doing. This country and

many others have gone into debt for years and years, and the only reason they could do this is that they created a pyramid scheme. As long as there was growth on the bottom, then everything is good. Ladies and gentlemen, that lack of growth is about to topple your pyramid.

In 1881, Sir John A. Macdonald, a man of vision, started on a 10-year mission to create a high-speed mass transportation system. He finished it six years ahead of schedule. Keep in mind, there was no income tax. All the tunnels were built by hand. John A. Macdonald was a man of vision. He was not an engineer; he did not dwell on details and legalities. He knew that the outcome would heal all ills.

In 1981, if you were to get in a truck in Texas and travel to Montreal, you would have come across 14 traffic lights, all of them in the city of Windsor. They are still trying to figure out how to solve that problem.

Now my speech: To my fellow Ontarians, today we stand at a crossroads. Do we stay the course of the past, the course of the rest of the world, or do we fight: fight for prosperity, fight for justice, fight for a model of government that all other governments will envy and follow, fight for a transportation system that will remove the car from the planet? I know your jaws are dropped and your skepticism is high, and it should be somewhat, for this has never been tried. There's no guarantee.

But why can Canadians do so much when it comes to war but do so little when it comes to peace? I'm saying to you that if we put the same effort that we put into war into peace, we can change the world. It starts now. It starts with your vote. It starts right here in Ontario. This is a colossal dream with colossal benefits, and it will come with temporary hardships, tears and maybe death.

We have analysed how we as Canadians achieved a mass transportation system in 1881 and how we built so many tanks, warplanes and ships, and it is surprisingly simple. The ratio of government worker to private worker was less. The ratio of lawyers to population was less—less red tape, which I believe is the problem we have in Windsor. The ratio of government wage to private sector wage was less. The building and maintenance of roads was easier and less expensive. There was a higher volunteer ethic.

I'm here to tell you that I'm not just talking. We have put into place a means of reducing government wage and staff to a sustainable ratio. We have created a legal system that will allow less red tape and fewer people being sued. Our judges will be held accountable. We started on a transportation system that will speed up the movement of goods and people, a system that will see the car's demise.

We have plans for a car to be produced by Ontarians that is one of the safest, most fuel-efficient and environmentally friendly cars on the planet. This car will have a reduced price, and all profits will go to building the MTS, the mass transportation system. By purchasing this car, you buy Ontario jobs, you get the greenest car on the market and you contribute to the car's demise.

I want you voters to know that we take this endeavour very seriously, and we will take cuts along the way. We will hold departments and people who collect your tax dollar accountable. We will open new prisons underground where work ethics will be taught and subway tunnels will be built. There will be random drug tests, for people being paid by tax dollars, with harsh penalties. Extremely large pensions of politicians will be changed. The three months off in summer for cabinet ministers—gone. Work ethics will be taught to multi-generation welfare recipients. Work ethics will be taught to gun-wielding crooks. We will encourage and market heavily Ontario savings bonds as an investment that will rid the world of the worst environmental invention ever.

This undertaking is of unprecedented proportions, and its benefits will last forever. This is the day the world will change—not by some other country, not by your neighbour but by you, the voter.

The benefits will be many:

- the MTS will attract business;
- there will be new industry created to build the MTS in Ontario and, later, the world;
- the Ontarian car will have great short-term benefits;
- work ethics will be back;
- the lower cost of maintaining an MTS, compared to roads, will translate into lower taxes;
- the decrease in noise and emissions will translate into lower health care costs and a higher quality of life;
- pride of being the one to take the first big step in saving the planet;
- an increase in businesses that want to relocate to this efficient area;
- a more streamlined, no-bull government and prison systems;
- an increased community atmosphere which comes with volunteer attitude;
- that \$8,000 a year that people save by not needing a car.

So on election day please remember that this time your vote is going to change things. This time your vote means more than ever before. For all you people who don't vote, it will be your vote that decides the future of the world. There will be people with money and power who will be against this campaign because of its immediate effects on their pocket. They will have influence on other powerful people. So I'm calling on the people of this province to unite and stand against greed, for a better world.

Yours truly,

The next Premier.

I'm going to go to points that I just want to clarify so everybody gets the whole idea.

One of the major points of this speech is the MTS and how it would be designed. Initially, it would be for commercial tractor-trailers and buses. In London, England, they have a lot of passenger trains and a lot of gridlock. It is the way we are: We like our car, we love driving our car, and we all want a high-speed train to

carry everybody else so we can drive with no gridlock, right?

1530

The only way to limit the car, I feel, is to produce a web of tracks so you don't need a car, so you don't insure a car. If you insure a car, you might as well drive it, and that's the problem. So by thinking freight, the initial cost of building the web will be happily done by business, as they will save money driving their trucks. This was the reason that in 1881 that train system was not built for people; it was built for cargo.

By using people's united excitement and determination, you can harness tremendous power: for example, World War I and World War II. By being the first one to try this approach, you have the most chance for success; i.e., there is a higher hope because it hasn't failed yet. As a water hole dries up, the animals react differently. In the past, this caused war. So let's divert this energy to peace.

When thinking about the cost of this project, factor in exponential fuel price increases. When fuel runs low, business will locate in this area. Every expansion of this will mean fewer cars and increased ridership on local transit systems: TTC.

When you have debt, you rely on growth, and this very growth is putting more debt, because you have to upgrade roads and bridges to handle the volume. In short, I remember seeing an old picture of Guelph that had more bridges across the river than we have now. At that time, Guelph was but a small town, and we had a Guelph concert band that was being paid. This is a luxury that the city can't even think about today, and we've got five times the population and income tax being collected. I think that it is the roads. It's the one thing I can think of, why things could be done in the past and not now, and the ratios, of course.

This united movement you want to create won't work without major changes at the top, even just to get the population involved. They may not make that much of a difference, but you have to do these big, major changes to get people going, "Oh yeah, this is going to happen. This is going to work." Streamline the government, the penal system, the justice system. The Young Offenders Act: Just changing that alone will get people excited. When the movement starts, there are going to be buzzwords, and every environmentalist in the world will be buying savings bonds. That is what will help pay for it.

Here's why this has a chance. By building with tractor-trailers in mind, you get the business world happily paying for it. In 1881, the train was for cargo. By holding excitement in the public and the world, you get the money from the car and the savings bonds. Exponential fuel price increases will help. As you get the heavy tractor-trailers off the road, you get less road maintenance costs, so you save money. When you do it for cargo and get communities trying to attract industry in their industrial parks, they will be squeezed to build spur lines. When enough spur lines are built, you simply connect the dots and add passenger rail. When cheaper

nuclear hydro comes on, you simply convert all trucks to electricity because you planned ahead and made some type of electrical grid. By using the tractor-trailers as a start, you have other provinces and states that can add spur lines across their gridlocks. They're all using the same wheel base or whatever from seaports to rail yards and rail yards to highways. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning goes to Mr. Prue of the NDP.

Mr. Michael Prue: I really just want to thank Mr. Schepers for being a futurist, for looking to the future and giving us some hope and some vision. I really don't have any questions.

Mr. John Schepers: Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

MARGARET MCGUIRE

The Chair (Mr. Pat Hoy): Now I call on Margaret McGuire to come forward, please. Anywhere at all there.

Ms. Margaret McGuire: I'm sorry, they're making our copies.

The Chair (Mr. Pat Hoy): Let me advise you that you have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard. You may begin.

Ms. Margaret McGuire: My name is Magee McGuire, and I am addressing the members of this standing committee and listeners in the gallery.

I have a three-part request wherein each part works in tandem with the other. Really and truly, I think my request is a long stretch because it is not about cement and blasting. It is about infrastructure needed for health care programs already in existence which have been provincially approved and are not yet meeting our community standards for service. I hope you will listen and understand that the funds I request of this committee would accelerate the advantage to the providers, the patients and the community at large. It would also create a better flow of service because of the mutual interfaces of those services.

I do not carry company credentials and I have not brought a peer-reviewed article to defend my claim. I can only claim that I am a very experienced health care worker in health care delivery and public advocacy, which is supported by my education and current studies in leadership management in health care at McMaster University. I've raised three children, and as a registered nurse I have worked in the field for 36 years, including community and hospital front-line work in a large number of specialized areas.

As an advocate through the Ontario Health Coalition, I am constantly hearing stories about the process of delivery here in Guelph and continue to be a resource for information or problem solving. Along with my colleagues, the coalition constantly provides this community

with information to allow the public to navigate and evaluate the system. I sit on a community-of-interest committee for the LHIN 3. I have been a volunteer for hospice and palliative and grief work since its inception, and I am often referring my clients to it. All of the people I meet through these focused centres send clear messages of what they, the public, deem necessary to fulfill the mission of health delivery in Guelph and Wellington and make it a better, safer and healthier place to live. I therefore make my request on their behalf, as a citizen of this community.

My total request is for \$1,550,000, to be allocated to three existing health services that interface one another. Any funding to any of these components will enhance the continuity of care. I've broken it down to three parts.

The first part: \$500,000 in immediate funding toward the delayed completion of the mental health unit in the emergency department of Guelph General Hospital.

Background and rationale: In the 1990s, our acute hospital services were amalgamated to one site at Guelph General Hospital. As a result, all emergent and necessary services arrive at the emergency department at that hospital. Over a year ago, the general public was made aware of an issue of safety that was heavily flagged with the Ministry of Health. Our city has a hospital dedicated to mental health, but it had become inadequate to meet the needs of mental health patients in crisis on the street or the needs of the front-line workers to provide safety for themselves and other patients in the ER environment.

With deep gratitude to the ministry, I was happy to see that the provincial government quickly approved the creation of a special four-bed area assigned to assessment and observation of these patients by qualified providers so that they would receive appropriate care. This would also mean that the general public and the emergency staff would be in a safer environment. The police would not have to sit with any patient. Nor would it mean that a bed in the intensive care unit would be occupied by an agitated patient who required constant observation, this being a risk management policy. It would also help shorten the wait lines in ER and reduce deadlock.

This request is to reflect an immediate need to complete the construction and the program for this unit. There is already space readiness. A psychologist has begun to provide leadership service there. Staff have been trained to sit with these patients. The program is in limbo. The public is generally satisfied. It believes that this unit is physically established, up and running, because of ministry approval.

The second part is to ask for \$1 million for the building of a hospice palliative unit.

Background and rationale: The hospice began as an answering machine at the Guelph General Hospital in the 1980s. A volunteer co-ordinator collected the messages which were requests for personal support for a dying patient or their family and caregivers at home or in hospital. She interviewed clients along with a trained team of intake volunteers. This program was so helpful that the general public began to increase its demand for

this service and, with financial support of a service club, moved into a temporary residence on Speedvale Avenue. It developed day programs for terminal patients and it increased the number of volunteers. As the need rose, it developed programs and education to support people in grief following the death of a loved one.

1540

Today, the hospice operates from a permanent facility on Kortright Road, thanks to fundraising, and they need to build the inpatient unit in a large space provided for 10 single rooms. The architect has designed the space. It is space-ready. It has qualified staff to coordinate all of the programs, and it is promised an operating budget.

If you fund this, there would be a reduction in the need for end-stage patients to be in hospital, freeing up beds. It would give a place of peace and comfort to the dying and their families. It would be a refuge for those dying alone, and the grief support services are on site. End stages of life would be less catastrophic and continue to have balance in the cycle of life. Without this, our health system will continue to be weighted heavily in providing the adequate care of these special people in an appropriate setting.

The third part is a \$150,000 subsidy to the new family health team.

Background and rationale: The province has recently approved the establishment of a family health team or FHT on Dawson Road. This is historically an advancement in health delivery and is a highly supported model for health care delivery by the Registered Nurses' Association of Ontario. It first and foremost incorporates the principle of prevention and wellness now advocated by the provincial government.

Its goals are established and a strategy is used on site to provide holistic access to services of physicians; nurses in the advanced class, such as nurse practitioners and clinical nurse specialists; nutritionists; and wellness clinics—for example, diabetic clinics and new mom and baby clinics. They are in full operation but their funding is stretched. There are insufficient funds to pay for the number of hours of care that the special class nurses can provide. This is a possible setup for dissatisfaction and failure. I bring this to you confidentially.

Again, the funding for operation is at stake. Without it, the concept remains flawed, not because of delivery but because of undelivered funding. A financial boost to place the funding of the nurses, special class, will gird this special project and allow it to operate more fully. The FHT will gain more confidence because it won't have to cut corners. With more NPs, fewer patients will be without a doctor. Since we have lost several doctors through their passing, retirement or health issues in the last couple of years, this is a critically important issue in Guelph and can be part of the solution.

The community that uses it is pleased and will feel more confident about the services there. The number of visits to outpatient clinics and hospital emergency will reduce. When our clients have adequate education about their health and take responsibility for it, the overall

health of the village and the province would only increase. The operative word here is education, and that takes time and qualification. No one can do this better than a nurse who specializes in this. Like the community health centres, the FHT can unburden the health system with a higher throughput at a lower cost because it is all under one roof.

In summary, all three components included in this request are points of entry to the health care system. None of them require excessive physician services. They all affect the reduction of emergency visits through an educational program and an optimal wellness support. This increases a venue for assessment and recovery outside of the hospital and avoids displacing acute care services.

Each contributes to optimal safety and wellness in our community. The community has always been involved in contributing to health care. As a component of social services, the city council is responsible for social development costs of people disadvantaged by precarious health as well as its social determinants. Regardless, this kind of community support may place an early flag on the services needed by the individual so that we are not reduced to a response in catastrophe only. In-time care and support balance the optimal wellness of this city, and this is, without doubt, a part of the vision for the city of Guelph.

If this request is found to be inappropriate for your venue, I implore you to bring this immediately to the attention of the funding operator and work in partnership with him or her to prioritize this today. I respectfully submit this.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mrs. Liz Sandals: Thank you very much, Magee. Given that we obviously share a community, those are very helpful suggestions.

Can I just inquire: On the Guelph General Hospital, are you just trying to confirm that the funding that was allocated is, in fact, there, or are you suggesting additional funding from what was allocated?

Ms. Margaret McGuire: My understanding is that the funding was approved, and that it went to the operator and it has not yet come through.

Mrs. Liz Sandals: Okay. I'm not sure what we're doing. I think we're going back and forth or in circles, maybe, on the funding. But in terms of that particular project, maybe just for the record to update people, the final submissions from the hospital's architect are just being made to the capital branch at the Ministry of Health. There's some discussion in terms of getting that approval process, but I'm surprised that it has taken this long to get the capital submissions made. I think they've redrawn the plans somewhere along the road and they're in the process of getting that finalized. But the project is inching forward.

Ms. Margaret McGuire: I think if you were in emergency working and being smacked around by these patients and saw the terror of the patients who were

sitting there, you would realize that this was a 2006 decision and here we are in 2008—it's not acceptable.

Mrs. Liz Sandals: Yes. What I'm telling you is that the capital branch at the ministry is waiting for all the final submissions to be made by the hospital. So once they have been received—and I understand that they will be received very shortly, if not submitted this week—then that can go forward for the final approval of the detailed plans. I would agree that the process has been very much slower than I would have anticipated, and it seems to have involved the redrawing of the plans.

In terms of the hospice, you're absolutely right that the fundraising has been going very well and that they are now in a position to approach the province for capital support. Hospice is something that I don't think there really had been any capital budget for; in fact, there still isn't a capital line. But based on the priorities given by the Ontario hospice association, we did make some funding available a year or so ago. The Ontario hospice association at that point didn't submit the Guelph hospice for funding. But I understand that, because their fundraising has been going well, in their next submission the Ontario hospice association will be recommending that the Guelph project be one that would be funded.

Ms. Margaret McGuire: It's my understanding that it's dollar funding for dollar raised.

Mrs. Liz Sandals: And the local folks have gotten to the point where they've raised their share.

Ms. Margaret McGuire: And a core amount of money to boost that would help them with their dollar raised to get their dollar funding.

Mrs. Liz Sandals: But they are at the point where they can go ahead and apply now because they have done a significant amount of local fundraising.

The final request that you're making—because the capital ones are one-off locals—is the funding for the family health team. I think what I hear you say—so, for the benefit of the rest of the committee, tell me if I'm hearing you right—is that when we fund family health teams it would be helpful if there was perhaps more funding for the non-doctor practitioners, for the nurse practitioners, so that they could take on a larger share of the work. From a provincial policy perspective, is that what you're suggesting?

Ms. Margaret McGuire: Yes. I'm wondering if there needs to be communication with them because I think any funding they get is global, and if it's insufficient, say, to cover salaries for NPs, then there's a stretch there. So there may be more than one mechanism required in communication with them, but it has been extremely frustrating for some of us.

Mrs. Liz Sandals: I think, of your three requests, that's the one that's—the others are uniquely local. This is the one which I think is perhaps provincial policy. So it would be to look at additional funding, for nurse practitioners—

Ms. Margaret McGuire: Specifically to other than physicians.

Mrs. Liz Sandals: Exactly. So the nurse practitioners, the social workers, the dietitians that are part of the team.

Ms. Margaret McGuire: Right.

The Chair (Mr. Pat Hoy): Thank you for your submission. We are adjourned.

The committee adjourned at 1549.

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CONTENTS

Wednesday 30 January 2008

Pre-budget consultations	F-263
Colleges Ontario	F-263
Ms. Linda Franklin	
Ontario Secondary School Teachers' Federation, District 18	F-266
Mr. Mac Howson	
Architectural Conservancy of Ontario, Guelph and Wellington branch	F-267
Ms. Susan Ratcliffe	
Association of Municipalities of Ontario.....	F-269
Mr. Doug Reycraft	
Interfaith Social Assistance Reform Coalition.....	F-272
Mr. Brice Balmer; Mr. Greg deGroot-Maggetti	
Mr. Derek Graham	F-275
Guelph Non-Profit Housing Corp.....	F-276
Ms. Sandra Ferguson-Escott; Mr. Harry Blinkhorn	
Wellington Water Watchers	F-278
Mr. Mike Nagy	
Mr. Grant Church	F-280
Onward Willow–Better Beginnings, Better Futures	F-282
Ms. Lorna Schwartzentruber	
Ontario School Bus Association	F-283
Mr. Angus McKay; Mr. John Sharp; Mr. Rick Donaldson	
Guelph and District Labour Council.....	F-285
Mr. Terry O'Connor	
Guelph-Wellington Coalition for Social Justice.....	F-287
Mr. George Kelly	
Mr. Patrick Woolley; Ms. Josefina Woolley; M. Edward Woolley	F-289
United Way of Guelph and Wellington; Social Planning Council of Cambridge and North Dumfries	F-292
Ms. Sarah Haanstra; Ms. Wendy Adema; Ms. Rebecca Roy	
Waterloo Catholic District School Board.....	F-294
Mr. Wayne Buchholtz; Mr. John Shewchuk; Ms. Marion Thomson Howell	
Ontario Association of Social Workers.....	F-296
Dr. Dan Andreae	
Greater Kitchener Waterloo Chamber of Commerce.....	F-299
Mr. Art Sinclair	
Ontario Cattlemen's Association; Ontario Cattle Feeders' Association.....	F-301
Mr. Dave Stewart	
Ontario Veterinary Medical Association	F-303
Dr. Reg Reed	
Haldimand Federation of Agriculture	F-305
Mr. Ronald Young	
University of Guelph.....	F-307
Ms. Pamela Wallin; Mr. Alastair Summerlee	
Mr. John Schepers.....	F-309
Ms. Margaret McGuire.....	F-311