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Monday 28 January 2008

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Lundi 28 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
Greffier : William Short

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Monday 28 January 2008

Lundi 28 janvier 2008

The committee met at 0848 in room 151.

PRE-BUDGET CONSULTATIONS

COUNCIL OF ONTARIO UNIVERSITIES

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. Good morning, everyone.

The first presentation of the morning will be the Council of Ontario Universities, if you could come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard, and you can begin.

Mr. Paul Genest: Good morning. Thank you very much. My name is Paul Genest, president of the Council of Ontario Universities.

Mr. Sheldon Levy: My name is Sheldon Levy, presentation of Ryerson University.

Mr. Paul Genest: Thank you all very much for the opportunity to be here with you today to talk about Ontario's universities, which we regard as a critical part of Ontario's economy, culture and society. Though Sheldon is the president of Ryerson University, we are both here on behalf of all of Ontario's 18 universities.

I would like to say at the very outset that the Ontario government has really taken a leadership role in advancing higher education in this province. We have seen in the Reaching Higher plan and budget of 2005 the strongest commitment to post-secondary education in the past 40 years. It really provided tremendous support to the sector. It enhanced access for students, many of whom otherwise would not have attended higher ed, and it expanded graduate spaces by 14,000 places. It's been a tremendous investment and a tremendous boost.

I need also to say, I think, that the Ministry of Research and Innovation has introduced a number of funds and programs that are boosting research efforts tremendously in our province.

It's our sense, reading the speech from the throne, that continued support was signalled for our sector. We believe that the track record is there and the commitment has been clear, and we would very much like to continue working with the government and indeed with all parties to build on this strong foundation to research and higher

learning to ensure that Ontario students and researchers can compete with the best anywhere in the world.

Mr. Sheldon Levy: Thank you for inviting us as well. I wanted to touch a bit on the provincial priorities. The government has announced its priorities for this mandate, and they include economic development, innovation and poverty, including the advancement of aboriginal peoples, first-generation students and persons with disabilities. Universities are strategic partners in all of these areas. Our most important results, though, are our graduates, who walk out of our gates with a sophisticated skill, a commitment to learning, and a civic engagement that lasts for the rest of their lives.

Let me take economic development. Universities are the hubs of local innovation and economic activity, enhancing the competitiveness of car plants in Oshawa and Windsor, mining companies in Sudbury and high-technology companies in Waterloo and Ottawa, to name just a few.

On innovation, universities are achieving groundbreaking success both nationally and globally, pushing the boundaries of knowledge in quantum computing, environmental issues, biosciences and health care, information and communications technology, urban planning, robotics—and the list could go on.

Research in Ontario leads the country, and industrial design accounts for the largest number of patents granted in Canada and for almost half of the registered trademarks.

On the poverty agenda, universities are enhancing efforts to attract and retain students from under-represented groups, conducting research and engaging community development work. If I could use the University of Guelph as an example, they have doubled the number of aboriginal students through outreach that began as early as grade 7. At Ryerson, we are very, very proud to have pioneered a program called disability studies. It is the only degree program of its kind in Canada. Universities are committed to enhancing these efforts to help the government advance its priorities.

At the same time, our universities embrace accountability, reporting publicly on results achieved. Every university has signed what we call a multi-year accountability agreement, and we have worked well with the Auditor General to address space utilization and deferred maintenance issues.

Ontario can be very proud of its universities. Universities educate students and prepare our next gen-

eration of leaders, cultivate the spirit of inquiring enthusiasm for learning that produce cutting-edge research, and generate ideas that drive innovation.

Our universities provide an excellent preparation for the labour market as well. Just a few statistics that may be of interest: Six months after graduation, 92% of all university students are fully employed, and if you look two years out, it's 96.3%. These are highly qualified personnel for whom the labour market is indeed hungry. To realize provincial goals for the best-educated, most productive workforce, we need to make our excellent university sector that much better.

Mr. Paul Genest: Thank you, Sheldon. The good news is that university applications in Ontario continue to rise. They are up 4.8%, nearly 5%, for the fall of 2008, continuing a trend of increases that we've been seeing over the past decade. There has been a 40% increase in applicants to universities since 2001. If we just think for a moment, the double cohort saw 102,000 applicants. We considered that a double year, of course. This year, we've seen 82,000 applicants. So what we're seeing is that we're approaching a sort of "new normal" here that is much higher than traditionally.

Some may see this growth as a problem, but we actually consider it an opportunity for the university sector and for this province. It's an opportunity to help achieve the government's goals for a better-educated, more productive workforce, driven by a growing recognition of the importance of a university education. Some estimates indicate that 70% of new jobs will require it in the knowledge economy. It is also assisted by the generous increases to student aid from the Reaching Higher plan, making it easier for more students to attend.

The challenge, of course, is providing spaces for every qualified student. We need to hire the faculty; we need to build the new classrooms, the labs and the study areas. We need to modernize our buildings. Most importantly, we need to preserve the quality of the learning environment. Ontario lags institutions, we've discovered, in the United States and other jurisdictions on a variety of measurements of quality, as benchmarked by the National Survey of Student Engagement. According to our analysis, higher student-faculty ratios in Ontario are having a big impact on this. The student-faculty ratios are now at approximately 26 to 1. This is up from 17 to 1 in 1990, and it's much higher than in publicly funded universities in the United States. These ratios, of course, affect the quality of the learning experience by reducing time for interaction, mentoring and engagement with faculty. Academic infrastructure also needs to be modernized and replaced to address changing technologies, learning environments and research needs.

Graduate students: Studies indicate that we produce only one half the number of masters degrees and two thirds the number of Ph.D.s that the United States does on a population basis. Industries and public sector organizations such as electrical utilities and transit authorities are coming to universities urging us to help them address their human resource needs.

Ontario is in the midst of a provincially funded expansion, supported by Reaching Higher, and this has been tremendous. But a new plan is needed if we are going to meet the requirements for research, replacement of retiring faculty and supplying the highly educated personnel that are needed by the private and public sectors. We need to respond, and respond smartly, in partnership with you, to ensure student access, research success and Ontario's success.

We are looking to this committee to offer support, if they agree with our analysis, for the following four items:

First is investment in the quality of the learning experience by providing funding to reduce student-faculty ratios and increase student-faculty interaction. Together, we'd like to set targets with you and strive to reach them in the spirit of accountability that the government has so clearly embraced.

Second is the development of a plan to ensure the continued expansion of the number of graduate students after the Reaching Higher targets have been met, and increased support through the Ontario graduate scholarship program. This would help to fuel research, assist with teaching loads, and provide the platform for future faculty to replace the growing number of retirees.

The third item is campus renewal to address the \$1.6 billion needed for revitalization of labs, libraries and classrooms. This is the amount that was identified in the Auditor General's report of December, where he looked at space utilization on the campuses. This will help ensure that they are suitable for cutting-edge research, new technologies and changing learning environments.

Finally, in the way that the government has looked at infrastructure on a long-term basis for energy, for transit, for water, for roads, for sewers, we believe that a long-term capital plan of this nature for universities would be appropriate. This would invest in knowledge infrastructure as a critical piece of the province's public infrastructure plan.

Ontario universities truly are strategic partners in provincial prosperity and the priorities that the government has identified. We look forward to working with you on them, and we'd be very pleased to answer any questions you may have. Thank you.

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

Mr. John Yakabuski: Thank you very much for joining us this morning, gentlemen. You touched on the student-faculty ratio of 26 to 1. That has changed, you said, from 17 to 1?

Mr. Paul Genest: That's correct. In 1990, it was approximately 17 to 1.

Mr. John Yakabuski: You also highlighted the replacement of faculty leading to the improvement of that ratio as one of the priorities. Of course, if you don't have the pool to draw from, how do you change that faculty ratio? It's sort of the horse and the cart, the chicken and the egg sort of thing. It would look to me, especially when you're talking about retirements, that we could see

that ratio actually get worse before it gets better. What kind of long-term strategy have you seen from this government that would lead you to believe that this number is likely to be improved in the near future?

Mr. Paul Genest: Great question, and I think that probably I did not draw the links closely enough in what I said about the investment in the graduate students. That is an absolutely key part of it.

Mr. John Yakabuski: I did pick that up.

Mr. Paul Genest: Certainly, we need the investment in graduate students for the sake of being competitive with what we see south of the border to us in terms of the number they are putting out and what that means for their labour market in a non-academic sense. But there's an academic labour market as well, and you're right to point to that. That is the reason we are calling for further investment in graduate students. As I said, we need to give credit for the investment in the Reaching Higher plan, 14,000 more graduate students. That's almost a 50% increase from the number we had. Yet more are needed, particularly as we see these faculty members retiring. So what we're hoping for is to see a redoubling, as it were, of the government's commitment that was made in the last mandate. That's what we're hoping for.

0900

Mr. John Yakabuski: Because you've identified \$1.6 billion as, if you want to call it, an infrastructure deficit or what you require as capital investment to improve the facilities. I didn't hear a number, and I don't have the figures in front of me as to what the government's commitment is, but you're saying that in order to achieve those goals, we would have to double the amount of investment.

Mr. Paul Genest: No, and I would change that—apples and oranges, if I may. In the Auditor General's expanded mandate, he's now responsible to follow the money, as it were. That includes universities, and we welcome this attention. This year, he looked at three universities as a sample to identify how we were doing on the utilization of our space.

In his report, he acknowledged that there was \$1.6 billion in deferred maintenance across our university system. This is a problem that has been getting worse over the years. The government does give \$40 million a year to PSE to address deferred maintenance, but more needs to be done. We're in close dialogue with the government, encouraging them to put us in a position to respond to what the auditor has reported as some of the shortcomings.

We can accommodate more students if we can modernize the space, and some places are just not suitable because they can't take the equipment that you need to put in; the class space configuration isn't there; you can't do distance learning from it in terms of accommodating technology. So I would treat that capital issue as distinct from the graduate student question.

Mr. John Yakabuski: Talking about—

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

Mr. Paul Genest: Thank you for the questions. We appreciate it very much.

FEDERATION OF RENTAL-HOUSING PROVIDERS OF ONTARIO

The Chair (Mr. Pat Hoy): Now I call on the Federation of Rental-housing Providers of Ontario to come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. David Horwood: Good morning. My name is David Horwood. I'm the assistant vice-president of Effort Trust and the chair of the Federation of Rental-housing Providers of Ontario. I'm accompanied by Mike Chopowick, our manager of policy, to my right, and Vince Brescia, our president and CEO.

The Federation of Rental-housing Providers of Ontario is the province's leading advocate for quality rental housing. We represent a wide range of multi-residential housing providers, from the smallest landlords—mom-and-pops—to the largest property management firms, as well as related industry suppliers and professionals from across Ontario. FRPO represents over 800 members who supply and manage homes for over 250,000 households. As a province-wide non-profit association, our objective is a balanced and healthy housing market with a vital rental housing industry, choices for consumers, adequate government assistance for low-income households and private sector solutions to rental housing needs.

Our input today will review some of the key problems facing Ontario's rental housing sector and briefly describe how the 2008 budget can offer solutions to ensure Ontarians have access to the availability of quality rental housing accommodations. Our written submission makes four recommendations to strengthen the rental housing sector and improve housing affordability, including eliminating property tax inequity on multi-residential properties, improving the design of the recently launched ROOF housing allowance program to provide assistance to as many working families as possible; and achieving significant electricity conservation by making it easier to implement smart meters in Ontario's rental housing stock. In our presentation this morning, however, we will focus on our first recommendation—increasing the provincial rental guideline—due to the critical impact of strict rent controls on rental housing availability and quality.

Mr. Michael Chopowick: This morning we are calling on the province of Ontario to repeal the unfair and punitive 2008 rent guideline—which is the lowest in the province's history, at 1.4%—and restore fairness to the treatment of rental housing providers in Ontario.

The reasons for allowing a higher rent guideline are many, and include the following: First of all, overly tight rent controls reduce government tax revenue. A study commissioned by FRPO in 2004 showed that just by

preserving vacancy decontrol, the provincial government avoided \$175 million in lost property taxes, sales taxes, income taxes, capital gains and land transfer taxes, as well as increased program costs for tenant assistance. The current 1.4% rent guideline, which applies to the vast majority of Ontario's rental housing stock, is undoubtedly having a negative impact on provincial government tax revenue, but we have lower investment and fewer jobs.

Second of all, today's market conditions make the rent guideline unnecessary. Rents in Ontario have declined in real terms for five straight years and, according to CMHC, are at 1999 levels. Vacancy rates have extraordinarily remained above 3% since 2003 and are now at 3.3%. These ideal rental market conditions have taken hold following the decontrol of rents for vacant units. Easing the rent guideline for all rental units would stimulate investment and provide tenants with an even healthier rental market.

Data in our written submission, which you have, shows that actual average rent increases by landlords in Ontario have remained below the rent guideline limit for each of the past eight years. This confirms that increasing the rent guideline will not result in widespread excessive or unwarranted rent increases by landlords.

Thirdly, the 2008 rent guideline falls far below the increased industry costs that landlords are facing in many key areas today. At 1.4%, this does not come close to keeping up with property tax increases, which are up 3% on average; wages, up 3.8%; mortgage interest costs, up 6.7%; and energy and utility costs, up 7.9%. In some cities, such as Toronto and Hamilton, water rates are increasing at over 10% per year. These costs, among others, are real and tangible expenses in the operation of rental housing in our province. Any rent guideline must allow for full recovery of those price increases.

Another reason is that the rent guideline is inappropriately based on the consumer price index. While this results in more predictable and transparent rent guidelines, it also means that rents are now being based on a basket of goods that has nothing to do with rental housing costs. Based on this weighting, rental housing costs are influenced by price changes in completely unrelated goods and services—for example fruit, vegetables and footwear—which during 2007 happened to drop in price, thereby unduly weighing down the rent guideline. Unbelievably, even cigarettes constitute over a 1% weighting in Ontario's rent guideline calculations.

What the rent guideline should do is to allow for complete cost recovery of both industry costs and the professional expenses associated with running a well-maintained building with high-quality service. Reinstating the pre-2004 formula, which is cost increases plus an additional 2%, would be a good start. This additional 2% would cover most abnormal utility or tax increases and allow landlords to catch up for years when they do not take a rent increase. That lets the market serve its proper function of allocating available rental units and encouraging investment in more housing

supply. The 2% base increase also encourages the repair and renovation of rental properties and covers the cost of interest on investment. Ontario's rent guideline now allows no such incentive, and in fact little ability, to do so.

Finally, Ontario's rent guideline is unusually strict compared to all other Canadian provinces. Six provinces in Canada have no rent controls or guidelines, while the ones that do allow for greater increases than Ontario. This is nothing to be proud of, and will only lead to less availability and lower quality housing for tenants.

The 2008 rent guideline of 1.4% is the lowest in our province's history of peacetime rent control. This low limit underscores the need to act this year to reform the guideline formula to include an additional 2% increase above the consumer price index, similar to what British Columbia now does. Thank you.

Mr. David Horwood: If I may provide a few extra points with respect to the apartment market: We're in a prolonged period of high vacancy across the multi-family housing sectors. Literally thousands and thousands of apartments are available for rent today. I saw them in Hamilton when I left, in Burlington when I drove through, and Oakville, Mississauga and Toronto, and this is just on the west side of Metro.

A special note relating to the rents: For the third year in a row, the vacancy levels are highest at the lowest end of the market. Clearly, we've got an availability of rental housing product, and we know that by most measurements, the affordability of the product is extremely favourable. In the face of a dramatic drop-off in economic activity as a result of uncertainty in the housing and construction markets and considering the age of buildings that exist in our province, now is the time to reinvigorate our rental housing industry. Allow us to repair, renovate and upgrade our properties.

We wish to encourage investment in the multi-family industry. The unfairly low provincial guideline is working against tenants, present and future, and acts as a major deterrent to the revitalization of the rental housing industry.

Thank you for the opportunity to address you today. It would be our pleasure to take any questions that you may have.

0910

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

Mr. Michael Prue: A few questions. You started out, in item number one—you used a different word than what is in the written text. You said, "by supporting vacancy decontrol," and in here you have "eliminating." They seem to be at odds. Which one—

Mr. Michael Chopowick: What we said in the written note is that if the province eliminated vacancy decontrol, provincial government tax losses would have been—

Mr. Michael Prue: It doesn't say "if" here; it says "by." I just want to be clear on what you're saying. So what's here is not right.

Mr. Michael Chopowick: It's correct. "By eliminating vacancy decontrol, provincial government tax losses would have been \$175 million," hypothetically. But that didn't happen.

Mr. Michael Prue: The second one is in point number two. I have to tell you, I fail to see the logic, but perhaps you could explain it to me in a little bit more detail. You say, "These ideal rental market conditions have taken hold following the decontrol of rents for vacant units," so they're ideal. Then you go on to say, "Easing the rent guideline for all rental units would stimulate investment and provide tenants with an even healthier rental market." If they are already ideal, why would this government do anything to change them?

Mr. Michael Chopowick: Well, certainly it's a renter's market right now; there's no doubt about that. Vacancy rates are high and rents in many major centres are quite affordable. That's why we're making the case that one of the largest causes of these positive market conditions was the decontrol of rents in vacant units. We think that by adjusting the guideline and allowing for an easing of rent controls in Ontario, you'd have even more ideal rental market conditions.

Mr. Michael Prue: So it's a question of ideal versus more ideal.

Mr. Michael Chopowick: If you look at the history of rent control in Ontario since 1975, whenever rent controls have been more restrictive, that has resulted in lower vacancy rates and higher rent increases for tenants, lower quality and less choice.

Mr. Michael Prue: Part of what you didn't state today but which is included in your package is the issue of sub-metering to allow tenants to improve conservation. Ordinarily, I think everyone would agree that's a good idea. Unfortunately for tenants, in many buildings—not all buildings, but in many buildings—they have antiquated equipment: 20-year-old refrigerators, 20-year-old stoves that are not energy-efficient. Why would tenants want to pay for sub-metering when the landlord has failed to provide energy-efficient appliances?

Mr. Michael Chopowick: There's an answer to that. Whenever tenants are given responsibility for their own individual electricity billing, they receive a corresponding reduction in their rents to adjust for that. In buildings that are old or maybe inefficient, those tenants will receive larger rent reductions that correspond to their above-average electricity consumption.

Mr. Michael Prue: I do know of many tenants, and I've been in their apartments, where the landlord has not kept up with the heating costs and tenants are forced to use electric heaters. Some of them even open the door on the stove in order to keep the apartment warm. Why would tenants want to pay the sub-metering if the landlord has failed to do what the landlord should have been doing all along?

Mr. Michael Chopowick: Due to that restrictive rent guideline, Ontario landlords have limited ability to make those types of investments.

Mr. Michael Prue: Thank you.

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

FAIR DEAL FOR OUR CITY COALITION

The Chair (Mr. Pat Hoy): Now I call on the Fair Deal for Our City Coalition to come forward, please. Good morning. You have 10 minutes for your presentation, and there may be up to five minutes for questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Claire Hopkinson: Claire Hopkinson.

Ms. Ann Dembinski: Ann Dembinski.

Mr. Franz Hartmann: My name is Franz Hartmann. I'm the executive director of the Toronto Environmental Alliance and I'm here with my community and labour colleagues Ann Dembinski, president of CUPE Local 79, and Claire Hopkinson, executive director of Toronto Arts Council.

We are representing the Fair Deal for Our City Coalition, which is made up of over 20 community, labour and ethnocultural organizations in the city of Toronto. The coalition came together because our city sends billions of tax dollars to Queen's Park and Ottawa every year, yet Toronto only gets 6% of all the taxes that are raised in this city to deliver all of its services. In spite of sending huge tax revenues to the provincial and federal governments, the unfair downloading of social service costs, aging social housing properties, court security and transit costs makes it impossible to balance the books for Ontario's capital city. While many of the Fair Deal partners supported the city's new revenue tools, we maintain that the city needs secure funding for services it is expected to deliver.

The fiscal crisis in Toronto is directly linked to the failure of the provincial government in not dealing with its fiscal obligations to our community. Since amalgamation, Toronto has had to deal with funding mandated provincial services without the financial resources from Queen's Park to pay for these services.

We want Toronto to have a secure fiscal framework. We have three recommendations that we believe need to be addressed in this year's budget to assist our community.

(1) Provide the necessary funds, \$300 million, to do the essential repairs to social housing.

(2) Develop a permanent funding formula for operating public transit.

(3) Upload the costs of social services immediately. Toronto paid \$729 million last year for programs that no other province makes cities pay for.

As we have raised these demands, other cities and communities across Ontario have been raising similar concerns in trying to balance their budgets. Look at Windsor, Hamilton and Ottawa as examples. This is not just a Toronto crisis; this is a provincial challenge.

Now let's hear from Ann and Claire.

Ms. Ann Dembinski: Mr. Chair and members of the committee, my name is Ann Dembinski. I am the president of CUPE Local 79. With more than 16,000 members, we are Canada's largest municipal local. We represent the inside workers at city of Toronto, Toronto Community Housing, and we also represent both the service unit and the nurses and paramedical unit at Bridgepoint Hospital. We are a rather unique local.

Each and every day, Local 79 members work hard to make the city of Toronto work for the people who call our city home. We keep the drinking water safe, we look after the elderly in Toronto's homes for the aged, we provide affordable child care in 52 centres across the city, we deliver critical public health programs, and we keep the parks and streets clean, among many other roles and responsibilities.

Our members are immensely proud of the contributions they make toward making Toronto a truly great city. Our members have been repeatedly recognized nationally and internationally for excellence in efficiency and innovation.

However, performing our work is becoming increasingly challenging as a result of the city's tenuous fiscal situation. On the front lines, we have had to make do with less. Staffing levels are frozen. Important programs are reduced or eliminated altogether. This is unsustainable. The city of Toronto simply cannot continue down the present path. That's why Local 79 has joined with like-minded community organizations to demand a fair deal for our city.

The downloading of provincially mandated programs and services has placed an extremely heavy financial burden upon the city of Toronto. Our members deliver these programs and services to the best of their ability and look forward to continuing to do so long into the future, but there needs to be the realization that stable, long-term funding must be provided by the province of Ontario in order for these programs and services to cope with the demands of a growing and dynamic city.

With the 2008 budget, the present government has a historic opportunity to undo the legacy of the previous government. Torontonians, who just recently gave this government a strong mandate—including many members of Local 79, I will remind you—are counting on the province to deliver.

My colleagues and I have come here today with recommendations. We trust that you will seriously consider them and that they will become part of the budget that we so eagerly await. This will allow Local 79 members and all city of Toronto employees to continue to deliver the quality programs and services that Torontonians have come to rely on and expect.

0920

Ms. Claire Hopkinson: Thank you, Mr. Chair and members of the committee. My name is Claire Hopkinson and I'm the executive director of the Toronto Arts Council, which is the city's arm's-length funding organization. Through the Toronto Arts Council, the city provides about \$10 million to 450 arts organizations

every year, who in turn produce 18,000 arts events seen by 7.5 million people. These arts organizations are a key part of the city's cultural sector, which employs 100,000 people. But today I'm here as a member of the Fair Deal for Our City Coalition.

When a city as big as Toronto is deprived of the means to sustain itself, the impact stretches far beyond that of potholes and infrastructure and into the realm of overall prosperity, community engagement and quality of life. Municipal investment in the arts is the wellspring from which all other investment flows. The Toronto Arts Council opens the door to investment from all other levels of government as well as from ticket sales and private sector philanthropy. From their first TAC grant, many of Toronto's greatest arts organizations, such as the Toronto International Film Festival Group, Soulpepper and the International Festival of Authors, have grown to contribute to the region's economic vitality.

Thus, it's bad news for the city and bad news for the province that Toronto funds its artists at a much lower level than any other comparable major city in North America. Montreal, Vancouver, Chicago, New York and San Francisco are all able to invest in the arts at rates between 1.5 and six times what Toronto is able to invest, and Richard Florida's research demonstrates that arts and creativity are fundamental to a region's competitiveness. If we want to attract tourists, if we want to attract corporate head offices and to engage creative workers and youth, we should be increasing our investment in the arts. And certainly the province benefits financially every time this investment is increased. Tourism dollars, provincial sales tax and income tax all grow when artists and the accompanying creative industries move into a neighbourhood.

For the city, on the other hand, with its limited revenue sources, the arrival of artists actually adds to costs. For this reason, it's hard for a city to invest in its artists at the best of times. But we have assurances from council and the mayor that when the provincial funding formula is remedied, the city's investment in culture will be increased. So for this reason, in addition to those expressed by my colleagues, I urge the standing committee to commit to covering its costs and reimbursing its municipalities for provincial expenses.

Thank you very much.

Mr. Franz Hartmann: Finally, I want to say a few words about the environment, and I want to remind the committee and the Chair of a report that was submitted to then-Prime Minister Tony Blair in October 2006 by the World Bank's former chief economist, Sir Nicholas Stern. He noted that the cost of climate change would be approximately 1% of global GDP. Let me rephrase that. If we want to get a handle on climate change, we have to invest essentially 1% of global GDP. If we do not do that, the cost to the world economies will be anywhere between five and 20 times that great. In other words, his message is simple: Invest now to save a huge amount of money in the future.

We're asking you today to do that for cities. Cities are the front line in fighting climate change, and we know

that the Premier is committed to helping curb global warming. For that to happen, cities have to be the ones implementing the policies that reduce our greenhouse gas emissions, because that's where most Ontarians live. So we need money to make sure that we don't spend a huge amount more in the future.

Finally, I just want to note that we know Minister Watson is meeting with AMO in Toronto to resolve the upload-download issue. We were expecting to hear from the government on this sometime in late February, and we're hearing that this will be delayed. Municipalities like Toronto, Windsor, Hamilton and Ottawa cannot afford to wait. Our cities and communities need a fair deal and Queen's Park needs to pay its bills.

Thank you very much.

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

Mr. Wayne Arthurs: Thank you, Mr. Chairman, and I thank each of you for being here this morning. It's getting our Monday off in a fine way with the broad perspective that you bring.

My new riding is kind of an interesting one, because it's the only riding, I think, in Ontario, certainly in the GTA, that spans both Toronto and the 905 regions, being Pickering–Scarborough East, so I get to wear this dual hat sometimes with the challenge municipalities face. Coming from a municipal background, I often like to look at it from the broader municipal context as to what we are doing as government and what we can do to support municipalities, and also, in doing that, recognize unique municipal situations, whether it's Toronto, being the largest city and the engine that drives the province, and in many cases the country, or the smaller municipalities that struggle as well with significant tax increases because of infrastructure deficiencies or the legacy—I think that was your word—of the downloading that occurs.

I think one of the big challenges we've been facing over the past four years now, and will continue to face, is the capacity to move forward within the agenda that we've set out, the key priorities, while at the same time addressing what you would like us to address in a full way, and that's reversing the situation that occurred with substantive downloading over a number of years. We're finding that particularly challenging. We're finding a challenge in meeting our own obligations as we see them on a go-forward basis and at the same time playing a lot of catch-up with what happened in the past.

Just quickly, during the first mandate we moved the public health costs from 50% to 75% onto the provincial budget. We committed to a gas tax to support public transit in capital and operating, and that was done early on in the mandate. We're now at 50% fully shared costing with land ambulance, which is something that municipalities had been asking for very heavily because the costs were escalating in that area. We've committed to a phase-in, and in many cases you have to do this, with ODSP and the Ontario drug benefit and all that; that's underway. We've made some pretty major capital

investments as the resources were available, including, in this most recent fall economic statement, some \$300 million available to municipalities on an application basis for infrastructure; some additional \$500 million for public transit. That has come as dollars have been available. The comment you made about that sustainability—we have to get that sustainability built into the system. But when you have capacity, you kind of loosen the purse strings up a bit to help when the specific opportunity arises.

I think we're all anxious to see the outcome of the provincial-municipal fiscal review program. I know the Premier and AMO just over a year ago, a year-plus now, talked about the range of 18 months, into the late winter/spring of 2008, and it's going to take some time for the parties, I guess, to come to a final conclusion on what they're going to bring forward.

What I'd like to have you do, though, if you would, is to reiterate for me—Franz, you indicated that there were three recommendations that you were coming forward with as a group. One of them was some \$300 million for housing; I think the second was a full upload of social services. Can you just repeat for us, if you would, reiterate and emphasize those three key recommendations in the bit of time that is left?

Mr. Franz Hartmann: That's actually in this document here, but I will just reiterate it again.

Mr. Wayne Arthurs: I want to have it straight on the record so it's in Hansard.

Mr. Franz Hartmann: Sure.

The first is to provide the necessary funds, \$300 million, to do the essential repairs to social housing.

Second, develop a permanent funding formula for operating public transit.

Third, upload the costs of social services immediately. In the case of Toronto, we paid \$729 million last year for programs that no other province makes cities pay for.

Mr. Wayne Arthurs: When you're speaking to the cost of those programs, we tend to think of them as the things we're currently engaged in—the ODSP, Ontario drug benefit activity. I'm assuming within that, though, you're also speaking to the issue of social housing, supportive housing. Is that part of your submission, that we should be uploading those costs onto the province fully—

Ms. Ann Dembinski: Yes, absolutely.

Mr. Wayne Arthurs: —in an ideal world?

Ms. Ann Dembinski: Yes.

Mr. Wayne Arthurs: Okay. Thank you so much for your presentation.

The Chair (Mr. Pat Hoy): And thank you.

REGISTERED NURSES' ASSOCIATION OF ONTARIO

The Chair (Mr. Pat Hoy): I call on the Registered Nurses' Association of Ontario to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of ques-

tioning. I'd ask you to identify yourself for the purposes of our recording Hansard.

Ms. Doris Grinspun: Doris Grinspun. Thank you very much.

Good morning and thank you for the opportunity to address the committee. I'm the executive director of the Registered Nurses' Association of Ontario. We welcome this opportunity to participate in the pre-budget consultations and to share the views and recommendations of Ontario's registered nurses. In my presentation, I will focus on the key social and environmental determinants of health, medicare and medicine.

0930

Let me start with the economy and poverty reduction. During its first mandate, the McGuinty government made progress towards rebuilding the province's physical, social and environmental infrastructure. There is still much more work to do, and momentum must not be lost. We know that many of the groups appearing before this committee will focus their deliberations on the impact of the slowdown of the US economy and the effects of our high Canadian dollar on revenues and expenditures. The budget represents an opportunity for the government to continue playing a leadership role and meet its election and throne speech commitments. We believe that the expenditures we are proposing are good for the economy and essential to building a healthy and inclusive society. This is the kind of society that Ontario citizens want, and one that the RNAO advocates for as part of its mandate.

Towards the end of its first mandate, the government recognized that although it had taken some steps to address poverty, it remained a distressing, pervasive problem. Poverty is the most significant determinant of illness, and more than 1.7 million people in this province live in poverty. We are delighted that the government appointed Minister Deb Matthews to work on this important file, and we are pleased that she is part of a cabinet committee dedicated to coming up with clear targets, and that's what we need: clear targets. However, if the government is serious about addressing the inequities facing the poor, it must deliver on its promise. To that end, we urge the following:

- initiate a meaningful consultative process that includes those stakeholders and individuals who have expert knowledge on how to tackle poverty;
- set poverty reduction targets of 25% in five years and 50% in 10 years;
- significant rate increases for those receiving Ontario Works, Ontario disability support program, and the Ontario child benefit. These rates should also be indexed for inflation;
- an immediate increase in the minimum wage to \$10.25 an hour; and
- additional funding for substantive affordable housing.

Let me move now to address the environment. The evidence linking the environment and health is irrefutable. Like many citizens of this province, registered nurses have become increasingly concerned about

climate change and also about harmful chemicals and toxic substances and their effects on patients, families and communities. Chronic conditions such as asthma, cancer, developmental disabilities and birth defects have become primary causes of illness and death in children in industrialized countries. We applaud the government for identifying the environment as a priority area, but we want to outline the priorities we believe are essential to allow the people of Ontario to live in a province where the water they drink is safe, the air they breathe is clean and the products they consume are safe.

Therefore, we urge the government to ensure that the upcoming budget has the dedicated funding to accomplish the following:

- implementation of a province-wide ban on the use, sale and retail display of cosmetic pesticides, as well as education programs and enforcement compliance;
- expansion of rapid transit, public transit, renewable energy and conservation initiatives;
- acceleration of the termination of all coal burning at Ontario power plants to 2009;
- cancellation of plans for the construction of new nuclear plants; and
- commitment to phasing in a carbon tax and other relevant environmental taxes.

We want all this to begin in 2008.

Nurses are passionate about our public health care system, so let me now refer to and address medicare. The government is engaging the pre-budget-making process at a time when most politicians and policy makers would agree that our publicly funded health care system is benefiting from the investments made by the government. However, while speaking to nurses at the RNAO annual Queen's Park day last week, Minister Smitherman acknowledged the work that still needs to be done. That's honest and good.

One area in which we must remain vigilant is in challenging the for-profit forces that want to reap the benefit of our public health care system. They're lurking in the shadows, and we must meet them head-on.

We also remain gravely concerned about our government's plan to continue to fund some of our hospitals through alternative financing and procurement, AFPs. In the view of nurses, AFPs cost taxpayers more and deliver less quality. To that end, nurses urge the McGuinty government to halt any future AFP hospital projects and convert those projects for which contracts have not been finalized to traditional government finance methods.

Another issue that looms large concerns our home care sector. Although we are delighted that the Minister of Health recently decided to end the process in Hamilton that would have prevented two highly regarded not-for-profit home care agencies, VON and St. Joseph's Home Care, from bidding on contracts that are up for renewal, it remains unclear what steps the government intends to take to deal with this issue in the days to come. Competitive bidding, in the view of nurses and in our experience, is a destabilizing and unfair practice. Both patients and nurses are put at risk: Patients lose con-

tinuity of care, and nurses experience upheaval in their work. It promotes turnover and in some cases—I would say many—nurses simply give up and leave the profession, something we can ill afford at the time of a nursing shortage in this province. For that reason, we are urging the government to place an immediate and indefinite moratorium on the competitive bidding process for all home care contracts in Ontario.

Lastly, we must address the urgent need to continue strengthening nursing so that nurses are able to serve Ontarians. RNAO welcomes the efforts that the government made as part of its nursing strategy during its first term. However, in examining numbers from the College of Nurses of Ontario, the RNAO is gravely concerned about the sharp slowdown in the number of new RNs working on Ontario for the past two years compared to 2005. The figures for 2005 were 3,480 additional nurses, in 2006 the number was 643, and in 2007 it was 671. I don't need to tell you what that means for the public. This is both unsafe for the public and unfair for nurses, and in fact contributes to the lack of retention in nursing. It will be devastating to our health care system if we do not engage in a serious recruitment strategy and retention strategy that include targeted funding. To that end, we ask the McGuinty government to make the following five key commitments:

- hiring of 9,000 additional nurses by 2010. Of that number, we expect 3,000 this year, with 2,250 RNs and 750 RPNs, and that's the usual ratio;

- meeting our goal to have 70% of nurses working full-time by 2010. We expect to see a 2.5% increase in 2008, bringing the share of RNs from 63% to 65.5%;

- continuing to guarantee jobs for new nursing graduates and increase their share of full-time employment by 10%. These are the people who we need to retain in this province;

- investing in a healthy work environment for nurses and, in that light, mandating a zero-tolerance approach to violence against nurses in the workplace, working with employers and associations to immediately implement effective policies;

- implement the campaign and throne speech commitment of funding 25 additional nurse practitioner-led clinics by funding half of these clinics in 2008. Ontarians need increased access to primary health care, and we are ready to provide it;

- implement funding for 150 new nurse practitioner primary health care positions in 2008 across community health centres, NP-led clinics, family health teams and all other primary care settings.

Conclusion: We recognize that building blocks are necessary to help build Ontario, and we believe that we are providing you with sound recommendations.

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

Mr. Toby Barrett: Thank you, Registered Nurses' Association of Ontario, for your very comprehensive presentation. You covered everything from poverty to

climate change. I think you made mention of coal policy and nuclear policy.

At the beginning of your presentation, you talked about a consultation process with respect to poverty reduction, and you made some specific recommendations as far as increases to Ontario Works, to ODSP, to the Ontario child benefit. A week ago, in this room, we had a presentation from an economist, Hugh Mackenzie of the Canadian Centre for Policy Alternatives, and he indicated to us that even with the increases in social assistance rates in November 2007, the Ontario Works and Ontario disability rates are actually lower in real terms than they were in October 2003, when this government took office. Have you been tracking this kind of data?

Ms. Doris Grinspun: Yes, they are lower, and that's why we are asking to sharpen those significantly. As well, we are, as you note, asking for an immediate increase in the minimum wage to \$10.25. All those strategies combined will allow us to improve the lot for the many, many people who live in poverty and, down the line, prevent illnesses that are absolutely linked to these social determinants of health.

Mr. Toby Barrett: I see you mention the \$10.25 minimum wage under "Poverty Reduction" and under a subtitle to "promote good jobs." Do you have other suggestions to increase employment or to boost our economy to create some of these jobs?

Ms. Doris Grinspun: Skills training. But skills training without decent, livable jobs with a good minimum wage that are full-time and have benefits attached will not take people out of poverty. So it's the combination of the package that needs to be looked at: both the training and then the ability to earn a decent minimum wage.

Mr. John Yakabuski: Thank you very much, Ms. Grinspun, for joining us this morning.

In the previous mandate, the McGuinty government had promised 8,000 new nurses between 2003 and 2007; by their own numbers, they've fallen far short of it—and you're asking for 9,000 more by 2010.

One of the things that they also promised was a job for a graduating nurse. The profession had certainly indicated that there was some real disappointment in that promise on the part of the government because a large number of those nurses were being offered short-term contract positions. The Premier refused to even acknowledge that, and I'd like your comments on that. Is that in fact what has been happening or had been happening?

Ms. Doris Grinspun: Yes. Let me put it in context. We actually had significant success with that strategy in the short term. We moved new nurses working in Ontario—and that is composed of either nurses coming from other places or the new grads—from 39% to 58% and change, so it's good. Our concern, though, is that we have 90%, more or less—it's in the high 80s—of new grads who want full-time. So we still have a very significant gap, and the most significant piece is what happens, as you say, after the six months of the full-time

guarantee. So we are asking, in this budget, for government to continue with the strategy of the six months full-time guarantee and work with employers to retain new grads full time.

We need to understand that we are in the context of Alberta and other provinces making phone calls to nurses at work without even asking. Nurses pick up the phone and these are head-hunters from Alberta, and they are offering, at this point, full time. So we need to absolutely ensure full time beyond the six months to both newcomers and new grads.

Mr. John Yakabuski: So you would—

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

CANADIAN CHEMICAL PRODUCERS' ASSOCIATION

The Chair (Mr. Pat Hoy): I call on the Canadian Chemical Producers' Association to come forward, please. Good morning, you have 10 minutes for your presentation. There may be up to five minutes of questioning. I ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. David Podruzny: My name is David Podruzny, and my colleague is—

Mr. Norm Huebel: Norm Huebel, the Canadian Chemical Producers' Association.

Mr. David Podruzny: We're here today on behalf of Ontario's industrial chemical producers. In Ontario, the broader chemical sector accounts for \$22 billion of Canada's \$47-billion chemical sector. The business of chemistry is characterized as resource-based, value-added manufacturing. In Ontario, it's the third largest in terms of sales. Our members produce industrial chemicals that can add up to 10 times the value to things like natural gas or electricity. This activity translates into high-paying jobs that create wealth for Ontario's workers. Our sector is first in knowledge-based workers, defined as the number of workers with post-secondary education, with university degrees. We have linkages with the key areas of the Ontario economy. Our customers include the mining and forest products sectors, metals, plastics and motor vehicles, just to name a few. These industries use our ingredients to make products for eventual end-use markets. Finally, we are productive: Our productivity is higher than the same industrial grouping in the US, and we're increasing our productivity faster than in the US. That's information that you don't usually hear from the media.

It's now abundantly clear that the face of manufacturing is changing in Canada, and particularly changing here in Ontario. We find ourselves today with a slowing US economy that's only exacerbating a domestic situation that has existed for some time. We're witnessing lost jobs, plant closures and declining foreign investment. These trends are the product of intense global competition, rising energy costs, taxes and regulatory policies. As our customers face challenging times and

shut down or move their operations elsewhere, our members are finding they have to ship their products further and further to access global supply chains, and that's bad news. That's lower profits for us, and that makes Ontario a less attractive place to be.

The good news is that the government appears to have acknowledged that we have a problem. Enormous progress has been made federally and provincially towards elimination of capital taxes. There have been some recent positive moves. We applaud this government for accelerating the schedule for the elimination of this profit-insensitive capital tax. We're also pleased with the move to match the federal government's introduction of an accelerated capital cost allowance for manufacturing machinery and equipment.

Our message today is that good work begun is good work continued. Industry needs to do its fair share in terms of business strategies, and government has a role to play in terms of ensuring that its policy and fiscal regulatory framework encourages investment and equips Ontarians and Canadians to compete in a global marketplace. We firmly believe that the key component of a manufacturing strategy for Ontario lies not in a series of programs and bailouts, but rather in targeted measures which will get the investment climate right. Investors consider a range of a location's specific characteristics when making investment decisions, and in our submission, we have included a list of those factors in one of the appendices. As well, we've included our annual report card, in which we assess a variety of competitiveness factors for key jurisdictions. Here we're comparing the competitiveness of Ontario with the rest of Canada, with North America and with the world.

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In the interest of time today, I'm going to focus on our tax recommendations for improving Ontario's ability to attract new investment and renew and grow its high-skilled, capital-intensive manufacturing base. In our submission we have identified three priorities:

First, in beginning to remove capital taxes with the elimination of large corporate tax, manufacturers are still facing retail sales taxes that are simply capital taxes in disguise. We believe the application on inputs into the manufacturing process and on-site should be eliminated. Although federal-provincial sales tax harmonization discussions have been suspended, we believe that the issue is important enough for Ontario that it should look at this problem separately.

We urge this committee to consider a review of the current application of retail sales tax on manufacturing inputs, on-site construction and other capital investment components and repair costs, with a view to eliminating them. These taxes on inputs are bad taxes, they undermine the capacity to attract new investment and, as you know, these taxes are applied even when companies are losing money. We'd welcome working together on this, and there is precedent for this. We've done a partial elimination of retail sales tax in some selected areas in the past.

Secondly, on the subject of capital cost allowance, we believe that Ontario's move to match the federal initiative was the right one. However, when we sat down with our members after that was announced in the last federal budget and matched in the Ontario budget, we were surprised to find that our members dismissed it as not being of any use, given that the two-year window before it expires didn't allow them to get into a planning process to book that value and actually win new investments. We asked them to explain, and the reality is that large-scale projects typical of our industry or steel or forest products or automotive—it takes five years and more from the initial planning and approvals to put the actual machinery and equipment in place and qualify for that accelerated capital cost allowance. In some cases, it takes two years just to work through the approvals process alone.

We've included a chart in our submission which details the investment planning stages in a typical large chemical project. As you can see, a window of at least five years is required. That's why we're calling for an extension of at least five years, not just the two or three that has been talked about in some circles. It's important that this measure be part of a planning process, not just a bonus after decisions have already been taken.

Finally, we'd like to encourage Ontario to match the federal call to develop a Canadian tax advantage, the so-called brand 25. This concept is based on the principle and premise of a clear tax advantage to help overcome competitive disadvantages in some other areas, like higher construction costs, the high dollar, high energy costs. We agree with this. The federal government will reduce its corporate rate to 15% by 2012; that's down from 28% about six, seven years ago. We hope that a combined federal-provincial rate of 25% will attract the investments. A lowering of the provincial corporate rate to 10% to achieve the brand 25 would catch the attention of investors.

Without aggressive action, we'll continue to see weaker GDP growth and a continuing drop in investments and a loss of high-paying jobs. We offer these three suggestions and would welcome your questions.

The Chair (Mr. Pat Hoy): Thank you for your submission. The questioning will go to the NDP.

Mr. Michael Prue: Not really too many questions. You're advocating the sales tax harmonization, but it doesn't seem that there's any appetite from the provincial government to go this route. What incentive can you give to the province for doing it? They've walked away from the table.

Mr. David Podruzny: It's possible that the federal-provincial harmonization won't work, and I really can't speak for that. But when you tax inputs, it's just like a capital tax. When we go to build a new plant, all of the concrete investment on that site is attracting retail sales tax. It's just unconscionable that we have to add 7% or whatever to the cost of building something when the final product is going to be taxed anyway. So we're saying, find a way—I recognize that things haven't gone well

with the feds and there isn't a good match between federal and provincial exemptions, and that's part of the problem. But the bottom line is, the industry gets caught in the middle on that one.

Mr. Michael Prue: You advocate, as I think almost every business group does, the lowering of corporate tax. The government, on the other hand, is in a bit of a bind in terms of balancing the budget this year, with the state of the global economy, particularly our neighbours to the south. If they are to lower the taxes on corporations, are you suggesting that they do so with the risk of deficit?

Mr. David Podruzny: No, I'm not, and maybe that's why focusing at the present time on the capital cost allowance, which only gets applied during a new investment, might be a better short-term move. The problem with the corporate tax rate right now is, the marginal effective tax rate in Ontario is the highest in Canada. That's not good for attracting investments to Ontario. We need new investments. I'm afraid, with the growing recession that's on the horizon—or perhaps, as I said earlier, it's probably already with us—that you're going to see lowering of revenues from the industrial sector. What turns that around is getting new investments in higher-productivity equipment, in better environmental performance equipment. We need to target the manufacturing sector. Perhaps you wouldn't see such a large fiscal hit if you focused just on that rate for manufacturing and processing equipment. That seems to be the sharp edge of the difficulty right now in this province.

Mr. Michael Prue: There are some economists and some groups that are suggesting that in order to lower corporate taxation, you would have to increase individual taxation. Do you advocate this?

Mr. David Podruzny: I'm not sure that has to be the only other option. You might look at consumption taxes—there are a few other options—and consumption taxes with some humanitarian exceptions, for sure. We're all facing higher energy costs and so on, so I wouldn't propose that we increase personal income taxes. By the way, they are higher here than south of the border by quite a bit already. So I would think there are options along the consumption tax line that might be more appropriate.

Mr. Michael Prue: So that's the direction you're thinking that the government should go if they need the additional revenue, a consumption tax.

Mr. David Podruzny: That would be our recommendation.

Mr. Michael Prue: I mean, it's pretty hard. You ask for lower taxes, individuals ask for lower taxes, and the government has a lot of bills to pay.

Mr. David Podruzny: That's right, and we do have to take a look at our spending. You're going to get 10 to one requests on spending over less collecting, and we do need to be selective in what we do. I think when you get into a recession situation, you really are stuck with some very difficult choices; I won't disagree with that. But I do believe that a consumption tax would be a fairer tax than one on corporations, for example, where regardless of

profitability during a business cycle, these capital taxes—the taxes on inputs, for example.

Mr. Norm Huebel: I think the other point to make too is that we focused on taxation here, but if you look at the investment factors we've laid out on page 18, there are a lot of other things that the government should really be looking at. Taxation is one issue that investors consider, but I think there's a whole range of other things you can see that you should be working on. One of the things we've been really pushing the government for is to come up with a manufacturing strategy that would look at how do we attract and how do we retain manufacturing in the province. That's not just taxation; it's looking at all those other factors like electricity costs and that sort of thing. So it's a range of things they should be looking at.

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

CO-OPERATIVE HOUSING FEDERATION OF CANADA, ONTARIO REGION

The Chair (Mr. Pat Hoy): I call on the Co-operative Housing Federation of Canada, Ontario region, to come forward. 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.

Mr. Harvey Cooper: I'm Harvey Cooper, manager of government relations for the Co-operative Housing Federation of Canada.

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Ms. Amanda Yetman: My name is Amanda Yetman. I'm the president of the Ontario council for the Co-operative Housing Federation of Canada. Thank you for this opportunity to make a pre-budget presentation on behalf of over 125,000 residents living in 555 non-profit housing co-operatives across Ontario. Housing co-operatives are committed to playing a significant role in meeting the affordable housing needs of Ontarians, and our presentation will focus on remarks on a few critical housing issues that the Ontario government should consider as it prepares its 2008 budget.

It is gratifying that in the recent provincial election campaign Premier McGuinty vowed to make the war on poverty a major plank in the government's second term. Clearly, if the Premier's undertaking is to make significant inroads in alleviating poverty, affordable housing must be a cornerstone of the foundation. Housing sustainability and affordability are vital platforms for individual health, well-being, economic prosperity, an inclusive society and, as research is increasingly confirming, for healthy communities.

Affordable housing is not only a social and health issue, but as Ontario's corporate leaders such as the Toronto Board of Trade, the Ontario Chamber of Commerce and the Toronto-Dominion Bank have also recognized, it is a smart economic policy. The lack of affordable housing is a significant roadblock to growth and investment. One of the key problems leading to the

housing crisis in this country and in this province has been a lack of consistent housing policies and funding programs from both the federal and the Ontario governments.

We appreciate that the Liberal's 2007 election platform committed to creating "a long-term strategy for affordable housing" that "contains a mix of non-profit and co-operative housing." The McGuinty government will have to hit the ground running if it is to meet this commitment and make real headway in the housing crisis. It should be noted that in this administration's first term, the vast majority of funds expended from senior levels of government under the affordable housing program, AHP, came from Ottawa, not Queen's Park. Unfortunately, the Harper government has shown little interest in funding its traditional housing responsibilities. The Liberals' 2008 budget needs to send a clarion call that the McGuinty government is indeed back in the affordable housing business.

The Ontario region of CHF Canada and the Ontario Non-Profit Housing Association annually publish our "Where's Home?" report, using data from Statistics Canada and the Canadian Mortgage and Housing Corp., CMHC. Some of the key findings of the report include that demand for rental housing in Ontario is forecast to be 12,000 to 14,000 units annually; rental production has declined to just over 2,000 units per year since 1995. The market is not building rental housing. There's little question about the need for affordable housing in Ontario. Currently, there are well over 122,000 families on social housing lists across the province.

The Liberals started late on the affordable housing file in their first term. By the end of 2007, only 5,000 new units of affordable housing were occupied or under development. While any construction is welcome news, particularly after the hiatus of almost a decade by the previous administration, the number of new homes built falls well short of the Ontario Liberal's 2003 election platform that pledged 20,000 units of affordable housing, plus 6,600 supportive units. It is critical that the province move forward quickly if we are to take significant steps in seeing new homes created in Ontario. We believe in a commitment target of at least 8,000 units annually.

While there is a clear need for additional rental units, it is also important to ensure that any new units created remain affordable over the long term. Co-operative and other forms of non-profit housing are a best buy for the province, as they provide a permanent supply of affordable housing for the people of Ontario.

It is increasingly clear that while we have a shortage of affordable units in this province, we also have a growing affordability problem, given the low incomes of many Ontario households. Examples of the growing inability of many low- and modest-income Ontarians to continue to put a roof over their head abound; 20% of all renter households in the province pay over half their income toward their rent, and a record number of Ontario households faced eviction in 2006 simply because they couldn't afford their rent.

CMHC recently introduced an affordability indicator to gauge how affordable local rental markets are for the rental households, and this shows that eight of the 10 least affordable cities in Canada are in Ontario.

The most glaring fault of the previous affordable housing program is that it did not serve the 600,000 Ontario households that are in core need. A new supply program should ensure that at least half of the units are reserved for low-income households that receive rent-gear-to-income—RGI—supplements based on the traditional basis of the recipient paying 30% of their gross income on rent. To make an immediate dent in the housing waiting list, the province should take advantage of existing rental co-ops, non-profits and private buildings and create a rent supplement based on the traditional RGI.

Much of the current housing is 30 to 50 years old and requires major capital investment. We know that municipalities are strapped for cash and many are unable to ensure that the housing properties they oversee are adequately maintained.

There are a number of innovative financing mechanisms to consider, such as capital financing, facility, where, with minimal provincial investment, housing providers could lever on other financing and Queen's Park could help ensure existing affordable housing assets are preserved for generations to come.

The financial burden of maintaining Ontario's immense social housing infrastructure, as well as the number of downloaded social services, was disproportionately on municipalities—the level of government least able to afford it. Premier McGuinty recognized this untenable state of affairs with the launch of the Provincial-Municipal Fiscal and Service Delivery Review in August 2006.

The co-operative housing sector has submitted a proposal to the review that provides a creative way forward. Under our proposal, the province would take back the cost of co-op housing from the municipalities. Co-ops represent about 8% of the social housing stock, and that's estimated at just over \$100 million province-wide.

Queen's Park would then contract administration to the Agency for Co-operative Housing. The agency is already administering the federal co-ops in Ontario and in three other provinces under a long-term contract with CMHC. Altogether, this involves responsibility for over 35,000 co-operatives, of which approximately 19,000 units are in Ontario. The agency was established for this specialized and sole purpose of administering co-op housing programs.

The transfer of the co-op housing portfolio would afford the province a number of benefits: It offers an opportunity for Queen's Park to take the first crucial step in uploading social housing costs; it provides municipalities with a significant measure of financial relief; it helps resolve the issue of pooling social housing costs between Toronto and GTA municipalities; it leaves municipalities with a more homogeneous portfolio which

is simpler and more economical to administer; and all co-ops in the province would be administered under one roof.

Another consideration for this proposal is that Queen's Park would gain an additional level of credibility with the federal government in the housing arena. At present, it's a difficult sell for the McGuinty government to convince Ottawa to re-engage financially in affordable housing when the province can be perceived as a non-financial contributor to the existing stock.

We are aware that there are many issues to be considered under the fiscal services review. However, we strongly feel that because of the range of benefits, our proposal merits support as one of the earliest solutions that could be delivered by the review.

The province should move forward quickly on Minister Ted McMeekin's resolution, passed in the Legislature on December 14, 2006, to establish a provincial co-operative secretariat at Queen's Park. Co-ops work throughout Ontario to support the local economy and provide secure employment, and they are a means to revitalize and sustain healthy communities. The co-operative secretariat would assist in this unique form of economic enterprise to partner with Queen's Park to deliver on shared priorities and goals in an efficient, affordable and accountable manner.

Co-operative housing in Ontario is a well-documented success story. For more than three decades, co-ops have helped provide good quality, affordable housing, owned and managed by the community members who live there. We are anxious to roll up our sleeves and work with the government and MPPs of all parties to ensure that housing co-operatives are seen as an integral part of the solution to the affordable housing crisis faced in every corner of this province. Once again, we'd like to thank the members of the committee for giving us the opportunity to share our views today.

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

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Mr. Wayne Arthurs: Amanda and Harvey, thank you both for being here this morning. It's good to see you.

I want to point out a couple of things in your submission and just a general commentary. Your closing remarks, "roll up our sleeves and work with the government"—not only am I pleased to hear that, but it's a demonstration of what you've been doing up until now. That's not news, I don't think, for any of the parties or anyone around this table. During my limited time, I've had the opportunity to have a number of exchanges. We've tried to work toward some solutions on some issues. Ideally, they will all come to fruition in due course. One can only hope.

Co-op housing is a unique form. I spent six years on Durham Region Non-Profit Housing Corp., which is effectively an agency of Durham region government. I spent three of those years as its VP. But our housing stock is different; our rules and relationships are different. When the download of all the social housing

occurred, it sure put some challenges on everyone. I know some of those challenges related to the region of Durham as it accepted certain responsibilities.

I want to make a couple of comments about where I think we're at, based on the information I have that's reasonably current. Someone can probably correct me on this to some extent at some point, and I'll have to leave it, then, to the mandarins in MMAH to give me the balance of the background details. The information I have is that in partnership with the municipalities and CMHC, we have made some considerable progress on the affordable housing front, on projects. We have some rental and supportive housing projects. There are about 226 projects, representing just under 9,000 units—8,899 is the figure I have. About 3,200 of those, give or take four or five, are occupied; 2,200 are under construction; and, about 3,500 are still in the planning approval stage.

I've got to tell you, as you well know, planning and getting housing in place is a real challenge. I did some work with Homes for Life—I'm trying to think of the organization; Homes for Life?—back when I was the mayor of Pickering, and that took some time. We even did some Habitat for Humanity stuff on a very small scale, but we recognized the amount of time that involved. There are some ownership housing projects, some 800-plus units, and a northern housing component of almost 800 units as well in a variety of stages. So there has been some progress, but we still haven't achieved the targets that we would all like.

I'm particularly interested in your submission to the fiscal review that speaks specifically as a strategy to get things moving and using the co-op sector as a piece of that, which might move things along a little more rapidly—rather than trying to eat the whole elephant at once, maybe just try to take a bite out of it.

Can you take a minute or so in the time available and tell me a little more about that submission you've made and sort of reinforce that for the purpose of Hansard.

Mr. Harvey Cooper: Thanks very much, Mr. Arthurs. As you mentioned, it has been our pleasure to work with MPPs from all three parties over three decades, because we feel we come with solutions that work and not problems to complain about. We look forward to meeting with some of the new MPPs who have just come to Queen's Park.

Regarding our submission to the fiscal and service delivery review, as you mentioned, Wayne, we actually think it's a real opportunity to take a crucial step forward on the housing file in terms of making some progress. Right now, one of the challenges I think the provincial government has in trying to have Ottawa take on more responsibility—and we mentioned it in our brief—is that for the existing portfolio, the municipalities are funding that under the devolution that happened a number of years ago. Why we think uploading the co-ops makes a lot of sense is, it's a first step, it's a contained amount of the portfolio—it's about 8% of the stock, about \$100 million, we estimate. It would send a signal to all parties that the province is back not only trying to build

affordable housing but sustain the existing housing that's out there. The province would not have to set up a new administrating agency under the Ministry of Municipal Affairs and Housing. It's good enough for the federal government. All the federal co-ops in this province are being administered under a contract with this agency through CMHC, as well as three other provinces. In Toronto, we've met with the mayor; he's quite excited about the proposal, both in terms of saving him a lot of money—there's no question about that; it would help resolve the GTA pooling issue. But having all co-ops administered under one roof makes an awful lot of sense. It would be a benefit, certainly, to most of the large municipalities across this province, and we know in the last budget the province pledged to end pooling between Toronto and the GTA. This would expedite it. It would happen a lot faster than I think the seven years that were forecast in the last provincial budget.

Lastly, just on the new affordable housing front, I don't disagree with any of the figures you mentioned, Mr. Arthurs. I think our main focus is that housing takes a long time to build, so I don't think there's a question that the government did get started a little late in the first term and that you're really going to have to get off the mark quickly, particularly given that we seem to have a reticent partner at the federal level these days. I think the provincial government is going to have to send a strong signal that we're taking the first step in affordable housing, both for existing and new development.

Mr. Wayne Arthurs: I think among our—

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

Mr. Harvey Cooper: Okay. Thank you very much. We also have copies—we mentioned it in the report—of our Where's Home? report, put out every year between ourselves and the Ontario Non-Profit Housing Association. I'll leave some at the back here. Thank you.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION

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

Mr. Ken Coran: Certainly. I'm Ken Coran. I'm the provincial president of the Ontario Secondary School Teachers' Federation. Beside me is Joe Hirschegger. Joe is in our protective services department and is specifically assigned to our finance subcommittee.

Before starting the detailed submission, I thought it would be worthwhile to just highlight the makeup of our organization, because the name truly is not reflective of the people we serve, the Ontario Secondary School Teachers' Federation. In fact, we do have teachers in the public secondary system. We have 60,000 members altogether, but we represent support staff workers in the

public elementary system as well as the secondary system. We represent support staff workers in the Catholic system, both in the elementary and secondary panels. We represent workers in the university sector as well, support staff workers. So you will see with our submission that we have kind of highlighted a lot of the aspects of all of those representatives of the education sector.

What we have done over the past few years is, we have conducted several focus groups with education stakeholders, we've held conferences and we've done surveying. The main attempt in all of those was basically to see where any flaws exist with education funding, to see what the public and the students want with regard to the education system, and what we developed over that time was something that I'm sure most of you have seen. It's called the Students First plan. If I were to summarize the contents of the Students First plan, it would basically be this, and this is exactly what we said to Minister Duncan last Monday when we did a very brief three-minute presentation to his committee: It's based upon the premise that we should have more qualified, trained, board-employed adults in the schools, and it's through offering that extension that we can guarantee the safety and the success of students.

What we have in our submission are 13 categories, and those 13 categories comprise about 22 recommendations. We feel that through satisfying those recommendations, we can do just what the former government had tried to do. They had a premise that the funding formula would be something that would generate equivalent funding for all students and hence eliminate any inequities. That process, unfortunately, was flawed. I think all of us in this room would realize that there are flaws in the current funding formula, and these recommendations basically follow up on what some of those flaws are and how we could solve those problems.

I'll turn it over to Joe Hirschegger.

Mr. Joe Hirschegger: Thank you. Through the various iterations and workings of the funding formula for school boards, many changes have been made. Many have been seen as positive, but the deep-rooted problems still exist.

In 2006-07, when the government decided to address the teacher salary and benefit benchmarks, what they did was move some funds from what was flexible funding, mostly from the learning opportunities grant and the local priorities amount that boards were able to use at their discretion, and move that into the teacher benchmarks for salaries. What this did, however, was to exacerbate a larger problem with the support staff, those being education assistants, professional support staff, office clerical, technical employees and custodians. So what we're saying is with regard to trying to fix that loss of flexibility. As well, the learning opportunities grant was a major source of funding for educational assistants, so reducing that had a tremendous impact. What we're saying is to immediately restore replacement funding for

that part of the funds that were moved, because those moves were mostly done on a cost-neutral basis.

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With regard to teacher staffing, the government has addressed, through Student Success and partially through Bill 52, the issues dealing with teacher workload, class sizes. However, despite the negotiated class size maximums we have in our collective agreements, we're still seeing classes in the high 20s, low 30s, even mid-30s, and most of those are in the open classification, the multi-grade classification. We're seeing many, many classes with grade 10-11 or different levels. Those, as you can imagine, are very difficult to try to manage with regard to classroom management, so we have a recommendation that funding be put into the funding formula to address that.

OSSTF believes in the team approach to junior kindergarten and senior kindergarten. That was in existence in some boards in the past, but, unfortunately, with the funding formula, some of those good ideas had to be thrown to the side. What we're saying is to reintroduce that team approach with junior kindergarten and senior kindergarten, with a qualified teacher and a qualified early childhood educator.

We've continually polled our members, parents, and even students with regard to special education. Unfortunately, special education is a costly item. It's unfortunate that the government had to place restrictions on the funding and what the allocations were for special education. This came, again, at a cost, because there are not only students who are identified with high needs or special needs; there is a broad range of special education services that are no longer available, especially in the areas of at-risk students, with regard to their behaviours and keeping them in school.

In 2006-07, as part of the reorganization of the school funding formula, the government saw the need to not just fund based upon ADE—that is, student enrolment. That's one building block, but another building block is the school. So OSSTF was very pleased with the creation of the school foundation grant, which essentially allowed schools to be staffed by a principal and a secretary. However, this particular funding, although very much needed and very much supported by OSSTF, falls a little short of what is actually required in schools. The generators within that grant are not legislated to be placed in certain schools. It's essentially at the board's discretion. So school boards generate the funds, they place those resources where they see fit, and unfortunately some of those smaller schools are without the services that they need.

As Ken mentioned with the Students First plan, we're looking at safety and more adults in the schools. It's interesting to note that there is no intrinsic allocation within any of the school grants that generates supervision outside of the classroom. So what we are proposing is that a grant be created to address student supervision based upon generators and schools so that adequate supervision and safety is present in those schools.

With regard to pay equity, we have several of our members who are struggling through, still trying to get pay equity agreements. Pay equity legislation was in the early 1990s. It ensured equal pay for equal work. Unfortunately, school boards were given some funds to reach agreements with pay equity settlements; however, those funds are no longer there, so we have a number of bargaining units and groups that do not have pay equity settlements and are still waiting for pay equity settlements. We're recommending that the government put forward a fund that school boards can access to enable them to reach those pay equity settlements with their employees.

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

Mr. Joe Hirshegger: Thank you. That's about all that I've got.

I just want to mention the post-secondary education support-staff funding. The only thing that I want to highlight is the fact that through a double cohort and even now universities are projecting a 5% enrolment increase. University faculties have increased, but support staff and infrastructure hasn't. That has put tremendous pressure on our members who are support staff in universities with regard to workload, space and stress, so we're certainly recommending that some attention be put into that as well.

Finally, with adult education, OSSTF has always advocated that, since the adult education funding has been reduced by about 50% or 60% since the implementation of the funding formula, that funding be re-introduced and re-inserted into the system because just because someone is over 20 years old does not necessarily mean they need any less resources than a student less than 21 years old.

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

Mr. John Yakabuski: Thank you very much for joining us this morning. In your submission—I was just doing a rough calculation—the figures that you've indicated are annual costs?

Mr. Ken Coran: Correct. If you total them, it's probably slightly over \$2 billion.

Mr. John Yakabuski: Yes, I got \$2.08 billion, just roughly in the head.

In the last submission, my colleague from the third party was asking people involved in the manufacturing sector where the government is supposed to generate this money from if they're looking for tax relief, because we've got a beleaguered industry that is in danger of disappearing in this province under this government's taxation policy. In order to raise an additional \$2.08 billion, what should we be doing with regards to corporate taxation? Should we be increasing our taxation from them, or what should we be doing?

Mr. Ken Coran: I think the first thing we have to realize is: What greater place could money be spent than on our youth? It's the youth who are the key to our

future. It's an educated workforce that will attract industry into this province and hence possibly raise the revenues of this province. So we think any money that's invested is money very well spent.

The \$2.085 billion that we've made reference to, it is possible for that to be staged in, obviously. We're not saying that all of a sudden on the first day after the budget is passed, all \$2 billion goes into it. There are a lot of opportunities—and your government admits this as well—whereby you have to tinker with the funding formula, adjust it, review it on a continual basis, and through that, stage some of these additional funds in. I think over the next four-year term, a lot of this money would be realized just through the economy growing. It has been stated that the economy will grow at probably 1.8% this year and 2.4% next year, so I think those revenues will be coming in.

Mr. John Yakabuski: Thank you very much. I do want to touch on that funding formula, particularly how it addresses issues in my riding. I'm certain that I'm misinterpreting your answer. I don't think there's any argument from anybody of any political stripe or any background in this province that the greatest resource we have is our youth, but surely you're not suggesting that if we create a tax regime in this province that destroys the very opportunities that we want to give to those youth leaving school, that that would be a positive thing either. You're not suggesting that, are you?

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Mr. Ken Coran: No, what I'm suggesting is that if this economy wants to flourish as it has previously, we had better make sure we have those trained youth and soon-to-be citizens of the workforce in place so that we can attract that industry and keep this economy going.

Mr. John Yakabuski: I want to talk to you about the funding formula, the fact that we don't have a funding formula. The government promised a new funding formula when they were elected in 2003. We're still waiting for that, and now they're saying, "We're going to get you that by 2010."

In Toronto, we read stories about boards having to make the very, very difficult decision of whether or not they're going to keep a swimming pool open in a school. In my riding, we have school bus operators who are going out of business because they can't be compensated fairly enough in order to bring our children to school and get them home safely. There is obviously an imbalance there, and a funding formula is something that would address that imbalance—not an envelope that the government recently threw some money into school busing. But how do you deal with an employee situation when you get a pocketful of money, a very small pocketful of money, at one time, but there is no sustained funding to ensure—if you're going to be giving somebody raises or employees across the board raises, you have to know that that money is going to be there on an ongoing basis. You can't give a little bit of it—"Here's \$10, kid; go to the show." That doesn't get you

to the show next week. Of course, you can't get to the show for \$10 now either, but that's another story.

Mr. Michael Prue: You can without popcorn.

Mr. John Yakabuski: Yes, that's right, on cheap Tuesdays or whatever they call it.

Could I get your comments on that, about how unfair it seems to be in different parts of the province? In one part, we are worried about maybe having to close a swimming pool, and in my part of the province, we're not sure we can get our kids to school safely, because the bus operators are being beat down to nothing.

Mr. Joe Hirschegger: That's a fantastic question. I wish I had a lot of time to answer that, but in the short time I do have left, OSSTF does believe strongly that the funding formula does not address what is meant as education. It was created as a means to equalize; the education community would say that's not the way that would answer.

There certainly are two building blocks to education funding. There is the student building block, which comes into the school system. There is also the school infrastructure building block. Within those two infrastructures, those two building blocks, there needs to be intrinsically built into those formulas ways in which the inflationary costs are adjusted. So with regard to infrastructure, what we're seeing especially in the Toronto District School Board with pools being threatened to be closed and so forth is a lack of resources for that infrastructure. That is something that has been eaten away, infrastructure-wise, since 1997, with regard to funding.

We'd be very happy to see the government look at changing or altering or reviewing the funding formula prior to 2010; in fact, we've lobbied for that since the election. We'd be glad to see that, and we'd certainly be willing partners to look at that. However, there are a lot of difficulties, a lot of shortcomings within that formula that would address just those things that can be fixed.

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

ONTARIO TRUCKING ASSOCIATION

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

Mr. David Bradley: Thank you, Chairman. My name is David Bradley, and I'm president of the Ontario Trucking Association. I'm joined today by the association's vice-president, Steve Laskowski. Committee members, we're very pleased to have the opportunity to talk to you today.

Trucking is a very good leading indicator of economic activity in the province by virtue of the fact that we haul 90% of all consumer products and foodstuffs and 80% by value of Ontario's trade with the United States. We're

usually six months into a downturn before people realize it, and we're usually six months coming out before people realize it. I have to tell you that the current picture is not pretty and has not been pretty for some time. There are all kinds of indicators you're seeing in the stock market and those sorts of things, but if you look at truck activity across the border, for example, 2007 was the third straight year that the number of trucks crossing the Ontario-US borders was down. We're now at a point lower than we were in 1998, so the situation is much grimmer even than the fallout after September 11, 2001.

Obviously there are many competing reasons for that: the increased value of the Canadian dollar versus the US greenback; more recently, the slowdown in US economic activity; problems in the auto sector; and the rise of China as manufacturer to the world. But the situation is also being exacerbated by the fact that from a tax point of view our industry is not only ours, but our manufacturers—there's still a long way to go to encourage investment and competitiveness.

The ongoing problems at the borders, particularly in Windsor, the biggest and the most significant land border crossing in the world, are exacerbating the economic situation that we're confronting. How is it doing that? It's because we compete and we operate—we are really a part of the manufacturing sector, providing the distribution service—in a mid-continent, in fact, a continent-wide, supply chain. That supply chain, its reliability and its predictability have taken a significant hit over recent years. If you want to avoid problems at the border and your major customers are in the US, which is a situation that Ontario confronts, then set up shop or at least a warehouse in the United States and avoid those sorts of things.

What we think this budget should be concentrating on is how we win back and improve efficiency and productivity in that supply chain. Ontario is never going to, nor should it, get into a game of trying to compete on wages with China, nor should it be diminishing its environmental, social and labour laws in order to compete, so we have to be smarter, which means we have to find ways to improve efficiency and productivity. Part of that is through strategic investment in infrastructure. While most of the attention has been on public transit, the province has done a pretty good job over the last few years in terms of maintaining investments in our highways, and we would urge that to continue going forward. There are also a host of regulatory initiatives that don't fall in the purview of the budget to be looked at.

Notwithstanding all of these problems, we still can't take our eye off the ball in terms of environmental issues, we don't believe, and in fact at no time in our industry's history have our economic goals been so aligned with our environmental goals. With fuel at the cost it's at the present time, there's a real incentive, more than we've ever seen, to be fuel-efficient; being fuel-efficient, we reduce our greenhouse gas footprint. At the same time, the trucking industry—more than any other industry in

Canada, I would argue—has moved significantly to improve its environmental performance in terms of smog emissions. We're now into the generation and the era of the smog-free truck engine. The problem is that those things cost a heck of a lot of money and the state of the technology is such that in fact they lead to a reduction in fuel efficiency, which impairs our greenhouse gas emissions. Consequently, what we're calling for is a coordinated approach to greenhouse gas and the reduction of smog emissions through a program called enviroTruck, which marries the smog-free truck engine technology with the fuel efficiency devices and technologies that exist to help us win back some of that lost fuel efficiency.

There is a significant role for both the federal and the provincial government to play in this regard, first, from a financial incentives point of view. Right now, the more that you invest in technologies and equipment that can improve your efficiency, productivity and environmental performance in Ontario, the more tax we pay. We pay provincial sales tax on our business inputs, we pay what's called a multi-jurisdictional vehicle tax on our inputs, plus we have the GST and the HST and whatever else may exist in Canada. So we have to administer, and the province has to administer, several sales tax regimes on our equipment which, in the scheme of things, is not a big part of the overall dollars in the budget. It seems to us to be an awful waste of money, plus it is a discouraging feature in terms of the accelerated penetration of these new vehicles into the marketplace.

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Just recently, in the last week, the province of British Columbia announced that it was going to begin supporting the enviroTruck concept. In the papers there are a host of individual US states who provide financial incentives to move to more environmentally friendly equipment at a more accelerated pace. We would urge this committee to take a strong look at the enviroTruck proposal. Again, it's a win-win in terms of the environment. We hear a lot about the environment these days and the fight of our lives on GHG, yet quite frankly we haven't seen a whole lot of action. I don't know that there are very many industries that are coming forward with an actual plan with tangible results, measurable improvements in both smog and GHG that could begin to accrue to the province immediately.

We thank you for your time, and we'd be happy to answer any questions that you might have.

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

Mr. Michael Prue: I listened intently to what you had to say, and I see the recommendation. This seems like a pretty easy one for the committee. All you are requesting at this time is that province set up a committee to discuss what can be done and to have that ready for the next budget process. Is that right?

Mr. David Bradley: That's right. We asked for the same thing last year. What we continue to hear is, "We all have to do more in terms of the environment," and

"We want to work with businesses." Quite frankly, we're in a desperate situation in Ontario right now. There are still two factories producing heavy trucks in Ontario, but did you know that the sales of new trucks this year are down 31% in Canada? That's impacting the people in Chatham, the people in St. Thomas and elsewhere. We have a solution here that could help many things, and at the end of the day, at least it's going to clean up the environment in terms of our industry's footprint. It seems to be next to impossible to get people's attention on this.

Mr. Michael Prue: I hope you've got the government's attention. Really, all you're asking for is to sit down, discuss it and have something done next year.

Mr. David Bradley: That's right, so we don't fall further behind the eight ball when, in 2010, the next generation of the smog-free truck comes into being.

Mr. Michael Prue: That would be my only question. Thank you.

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

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Mr. Pat Hoy): I now call on the Ontario Public Service Employees Union to come forward please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Warren Thomas: My name is Warren (Smokey) Thomas, president of OPSEU, and I have with me today Tim Little. Tim is our legislative liaison staff person. Good morning, and thank you for inviting us to speak with your committee today.

OPSEU represents more than 125,000 Ontario workers and their families, most of whom work in the public sector, including direct government, hospitals, colleges and social service agencies, and the LCBO. We work from Kenora to Cornwall, Windsor to Moosonee. We believe our members are well placed to assess the pulse of the public sector and the health of the economy across Ontario. We also believe in the importance of the public sector in ensuring a more equitable quality of life for all Ontario citizens.

We hope that you share our view that the public sector has a valuable role to play as a partner in the economy of the province. History shows that nations that have invested heavily in public services are the ones that perform the best economically over the long term. Some of the previous governments have not shared that view, so we were heartened when the Premier communicated to us recently that his government is committed to public services. We aim to hold him to that promise.

The quality of our medicare system, our high level of education and the social safety net Ontario provides for all citizens act as a bolster to the economy. They are attractive competitive advantages to the private sector corporations operating here and those considering

whether or not to locate here. We believe it's time for a new deal in Ontario, a winning combination of environmental progress and investment in infrastructure, training and technology.

What Ontario needs are more quality public services, not less. This is proven by the effects of the public service cuts that are still being felt today. Today, one in six Ontario children remains in poverty, homelessness is now seen as normal on the streets of larger cities, and food banks have become staples for the working poor.

Under the policies of the previous government, the public sector fell a full 25% in its share of the provincial economy. Our public sector used to supply one fifth of the jobs and services in Ontario. That fell to less than 15% from 1995 to 2003, and that had a drastic effect on a number of our communities that have been built around delivering and receiving public services. The public sector has only slightly recovered since 2003, to about a 16% share of the economy, since the new government took office on the promise to rebuild public services. So the thrust of our argument today is that there remains much work to be done in restoring public services in this province, and we certainly agree with the government's stated aim that the priority must be the eradication of poverty.

We believe there are some specific measures that must be taken. We commend the government for extending disability benefits to hundreds of thousands of disabled people who were cut off by the previous regime. They are among our poorest citizens and they deserve at least a subsistence income. However, the result is that the Ontario disability support program in the Ministry of Community and Social Services has become woefully understaffed. Our members are struggling with a ratio of 700 clients to one staff, the highest such caseload in Canada. An immediate budget infusion of \$60 million is now necessary to hire more staff to serve the 325,000 clients.

We also hear daily how our well-paid manufacturing jobs are being replaced by part-time, low-paying service jobs in our so-called new economy. The working poor are the fastest-growing segment of our society. We submit that if we are to eradicate poverty in Ontario, a good place to start is to take measures to create full-time jobs with good salaries and good benefits. It doesn't matter whether these jobs are in the public or private sectors; jobs are jobs, and they bring prosperity to the community. We urge the government to join us in this crusade.

That's why we suggested to the finance minister last week that he convene an economic summit, bringing together business, labour and politicians at all levels to discuss the way forward and fill the void left by the current federal government. We will bring forward the plight of part-time and contingent workers who continue to be exploited in Ontario. Those are not good jobs, they are tenuous and, in the main, low-paid.

Sad to say, the public sector is not immune from this spreading infection of contingent work. Consider this:

25% of direct government employees in the Ontario public service are casual, unclassified workers with no permanent employment status. At the LCBO, which generates over \$1.2 billion in profits for Ontario taxpayers, 60% of staff are part-time or casual. In public hospitals and community colleges, non-unionized part-timers now outnumber full-time workers, and in developmental services agencies, where some of our lowest-paid members work, two thirds are part-time.

The place to start to reverse this trend is in the government's own backyard. The events of last summer in developmental services showed that the government is willing to listen, especially when the workers take to the picket lines. Unions do what we have to do. However, we hope that we will not be forced into such drastic action in the upcoming rounds of collective bargaining as most of our major contracts, covering upwards of 80,000 members, expire over the next 18 months. This represents the perfect opportunity for the government to do the right thing by its workforce.

We also acknowledge the government's stated willingness to change the unjust and unconstitutional law that prevents thousands of part-time college workers from organizing a union. OPSEU has launched one of the largest organizing drives in Canadian history, and we anticipate that when they are finally allowed to bargain, the inequities of 30 years as second-class workers will begin to be addressed.

We also commend the government for reversing the erosion of funding for mental health care by investing in community mental health services. Now what is desperately needed is investment in more forensic beds to help keep psychiatric patients out of jails.

I would also like to commend the government for putting a moratorium on competitive bidding in home care. Last week, the Minister of Health moved to put a moratorium on the competitive bidding model at the community care access centre in Hamilton. I really do applaud the government for that step, and I think the community down there certainly thanks you as well.

1050

There are some other ways your government can give immediate help to these problems and help the economy along the way. I'll list just a few:

—Ontario community colleges rank ninth among Canadian provinces in per student funding. We need to bring our college system up to standard to continue to train the skilled workers Ontario's economy needs to prosper.

—Correct the underfunding of key ministries. What's happened to the Ministry of Natural Resources is a travesty. Funding has fallen 18% in real terms over the last 15 years. Conservation officers have been forced to hold bake sales—albeit a political gesture—to buy gasoline for their trucks so they can enforce protection of Ontario's resources.

—Despite the increased public awareness of environmental concerns for air and water quality, funding

for the Ontario Ministry of the Environment has fallen 35%.

—As the provincial auditor pointed out, the understaffed Ministry of Revenue can't keep up with sales taxes. Outstanding sales taxes were almost \$1 billion last year, enough to pay for three new public hospitals.

—You could adopt the centres-of-excellence proposal for the three remaining regional centres for the developmentally disabled as part of a strategy to better serve the disabled community. The three centres were major employers in Orillia, Smiths Falls and the Blenheim area, and these communities are struggling to cope with the loss of these jobs.

—You could undo the wanton off-loading of services and costs to the municipalities and its effect on public service delivery. We recommend a wholesale re-assessment of downloading and its effects to determine the level of government best positioned to deliver services, and to make sure that those services are equitable across the province.

These are only a few of the pressing issues open to correction in the upcoming budget.

In closing, we must acknowledge that tax cuts have done nothing to rebuild the public services that we all need. In fact, the resultant starving of the public sector threatens to undermine the competitive advantage and quality of life that Ontario offers. The government must resist the temptation to continue this regressive trend that only serves the wealthy. Increasing the tax rates for those earning more than \$100,000 would add a significant amount to revenue, with a minimal effect on consumer spending. We at OPSEU urge you maintain and enhance our progressive regime of healthy public services in Ontario. Thank you for listening.

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

Mr. Wayne Arthurs: If I just do Smokey, is that acceptable?

Mr. Warren Thomas: Yes.

Mr. Wayne Arthurs: And Tim—thank you both so much for being here this morning. I had the opportunity during my first mandate at Queen's Park—much of my first two and half years, I guess, I was with Minister Phillips in his role with the Management Board Secretariat. I had a chance during that time frame to get a bit more of a handle on some of the broader responsibilities that OPSEU has and the work that ministry and the minister, in particular, had to do. I was continually encouraged by what I refer to and think of as a building of a relationship during that time frame, and one that's continued since then, although I've been over in finance in the interim—and now with Minister McMeekin taking on government services, I think we've come a long way in the four years, at least in our relationship. There's still a lot of work to be done and still a lot of missing pieces to the puzzle, but I'm particularly encouraged by what we've accomplished together, particularly with the leadership of the public service.

Your comment in regard to the Premier's commitment: I think from day one, the Premier has been a vocal advocate, in the broadest sense, of the importance of public service. He certainly reminds us, as his caucus members, on a very regular basis—if not every caucus meeting, certainly every other caucus meeting—about the privilege that we have to serve the people of Ontario in the form that we do in elected office, but also in recognition of the fine work that's being done by public servants, whether it's provincially, municipally or federally—just a strong recognition of that.

I'm particularly interested in, and don't know much about, frankly, at this point—because I haven't even seen my minister of late because he's been doing his tour—your suggestion that the minister convene an economic summit bringing all those parties together. Can you, in a couple of minutes, fill us in on the context of what you presented to him?

Mr. Warren Thomas: Sure. Thank you very much. I'd like the opportunity to expand.

I truly believe that labour, business and government must take off their political hats, go into a room, sit down and say "Okay, how are going to address the economic woes of Ontario?" I did that on a regional level in Kingston back in the 1990s. We had a thing called Advantage Kingston. My co-chair was actually a well-known Tory, the former CEO of Dacon Corp. John and I got together and we worked together for three years, albeit with federal government money. But we did change the economy in Kingston, we did bring a lot of people who'd never gotten together before together, and did some great work. We helped establish the Kingston Technology Council. We got Kingston into recruit and call centres. I'm one of the signatories to a partnership—John and I were the honest brokers—between RMC, St. Lawrence College, Queen's University and Canadian Forces Base Kingston to ATEC, the Advanced Technology Education Consortium.

So I have lived the experience: If you can get the business community, labour unions and the government together in a non-partisan way, you can do some good things for any constituency, whether it be Ontario or eastern Ontario. I think if we could get together—I travel all over Ontario extensively; we've got small towns dying because they're one-industry towns, and the government can't get people to locate there because, who wants to go buy a house in a dying town or who wants to move to a dying town?

You go to Windsor, the thousands of auto-worker jobs that are gone—they're good jobs. Ontario, in my opinion, is still the most competitive place in North America to build a car. It's still cheaper to build a car in Ontario than it is in the States. You might want to go to Mexico; maybe it's cheaper there. I just think that you'd find a willingness in the leadership of labour, business and government to sit down and at least brainstorm, right?

Mr. Wayne Arthurs: I somehow suspect that governments generally, and I'll include ours in that, don't necessarily take advantage of the expertise and

experience. We tend to think at times, with OPSEU and the like, that they're focused on that, but your comments about travelling the province of Ontario and you get a tremendous insight into what's happening across the province in all communities, particularly as it relates to your members and that responsibility—but I don't think we necessarily take as great an advantage of that as we might, and we should do more of that. I hope that the minister—and certainly, in our conversations we'll take advantage of your suggestion, your offer, as one strategy to address the economy and ensure that we reinforce and support public service in this province.

Thank you so much for your presentation.

Mr. Warren Thomas: Thank you.

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

ASSOCIATION OF INTERNATIONAL
AUTOMOBILE MANUFACTURERS
OF CANADA

The Chair (Mr. Pat Hoy): Now I call on the Association of International Automobile Manufacturers of Canada to come forward, please. Good morning. You have 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.

Mr. David Adams: My name is David Adams. I am the president of the Association of International Automobile Manufacturers of Canada. Mr. Chairman, committee members, I'd like to thank you for the opportunity to appear before the committee today.

The AIAMC is the national trade association that represents the Canadian interests of the automobile manufacturers and distributors outside of the traditional North American industry. In 2007, our members sold over 783,000 vehicles in Canada, representing 47.4% of Canada's new vehicle market. Additionally, our members sold 64.5% of all passenger vehicles. While many still view our members as importers, fully 50% of the vehicles sold by our members in Canada were produced in North America. Our three members producing vehicles in Canada—Honda, Toyota and Suzuki—manufactured about 30% of the 2.5 million vehicles produced in Canada in 2007.

I would like to begin by congratulating the government on recent initiatives that were announced in the latest economic update. The elimination of the capital tax for manufacturing and resource activities a full 2.5 years ahead of schedule was something that was needed and long overdue. Additionally, the government is to be commended for its announcement regarding the temporary two-year accelerated capital cost allowance incentive for manufacturers. This will give manufacturers an incentive to invest in new technology and machinery to increase their productivity in their respective plants.

As you are aware, the automotive industry is going to be facing some serious challenges over the next 12 months. It's incumbent upon the government to ensure that the manufacturing sector here in Ontario remains

viable in an increasingly competitive global marketplace. There are a number of factors that the government needs to take into consideration to fully appreciate how significant the challenges will be. In addition to the high sustained valuation of the Canadian dollar and what appears to be an inevitable recession in the United States, domestically, manufacturers will also need to be preparing for newly announced fuel economy standards when the details are made known.

The new investments that will be made into greener and cleaner vehicle technologies will be significant, as manufacturers will need to be prepared to meet the first stage of the new stringent standards by 2011. We'd also like to encourage the Ontario government to support the federal government's national approach in establishing fuel consumption standards and to work with them to ensure that a stringent, harmonized North American standard is achieved, as opposed to a provincial patchwork across the country.

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In challenging economic times, the tendency of some economies is to turn inward and adopt a protectionist stance to try to ride out global economic turbulence. Recent press coverage seemed to suggest that the provincial government was not supportive of a Canada-Korea free trade agreement. We believe this is not the case and we appreciate, in reality, that the government was concerned about maintaining competitive balance in the automotive marketplace. The AIAMC supports free trade and a fully competitive automotive marketplace. In this regard, given that Canada—or Ontario—does not produce any subcompact vehicles, we would advocate that the Ontario government should propose to the federal government the elimination of the 6.1% finished vehicle tariff on all subcompact vehicles imported into Canada, in the face of any bilateral trade agreement. This would assist in maintaining the competitive balance in the Canadian automotive marketplace while not adversely impacting Canadian automotive production. Further, Canadian consumers would be the beneficiaries of lower prices on vehicles in a growing segment of vehicle sales, a welcome initiative in challenging economic times.

The government has been an active and committed participant in securing automotive investment in Ontario through its auto strategy. Additionally, in the government's economic outlook, it indicated that the government will continue to make progress on the Highway 407 east extension and the Windsor border. Both of these initiatives will ensure the success and prosperity of the automotive industry. We need to ensure that our transportation infrastructure is viewed as a competitive advantage for investment, as opposed to a hindrance.

Although our members acknowledge the efforts by the government to help the industry financially during difficult circumstances, we also realize that a larger problem exists. We would strongly encourage the government, in its budget, to look at long-term strategies to foster growth and business investment in the automotive

industry. Part of that effort includes meetings with and recognition of those companies that don't currently manufacture here.

With respect to recommendations, our first recommendation would be to encourage the government to consider again the possible replacement of the PST. While we understand the finance minister's reluctance to embrace a HST system, it could potentially be one mechanism to assist in building overall business competitiveness.

As it currently stands, Ontario is now one of the most expensive jurisdictions in the world to manufacture vehicles. The long-term projections for a strong dollar mean that the government will need to take some other measures to lower the cost of doing business and to improve business productivity. To that end, we recommend that the government revisit the PST with the view to potentially replacing it with a value-added tax that is harmonized with the federal GST. A single value-added tax has been recommended by Roger Martin's Task Force on Competitiveness, Productivity and Economic Progress as well. They note that outside of the United States, Ontario has the highest tax rate on new business investment in the developed world. In their most recent publication, the task force indicated that nearly 40% of the revenues realized by Ontario's PST are on purchases made by businesses, which also include capital investments. This change would provide welcome relief to companies doing business in Ontario and encourage them to invest in new machinery and equipment.

The backgrounder for these pre-budget consultations asked participants to look at any programs that could potentially be eliminated. Our second recommendation would be to see the tax for fuel conservation eliminated and potentially replaced with other initiatives that provide real environmental benefit. In this regard, we look forward to working with the government on its green vehicle project. The tax for fuel conservation has proven to be an ineffective and inefficient mechanism in reaching the environmental objectives that it was originally designed to achieve, largely hidden from public awareness and acting effectively as a flat tax of \$75 on most new vehicles sold in Ontario, which in fact are the cleanest and generally the most fuel-efficient on the road. In our view, the TFFC should be replaced by environmentally progressive policies that are also positive for industry, such as:

- accelerated removal of older vehicles;
- progressively increasing vehicle registration fees for older vehicles;
- expanding the incentives for fuel-saving advanced technology and alternative fuel vehicles.

Currently, the older vehicles are the most polluting on the road. At least 30% of Canada's 19 million vehicles are at least three generations of technology old.

Smog-causing emissions have been reduced on new vehicles up to 99% from the pre-controlled era, and modern vehicles incorporate the most advanced safety technology, yet in any given year, new vehicles represent

only 8% of vehicle registrations. While our members understand the need for stringent, continent-wide fuel economy standards for new vehicles and we are committed to achieving those standards, if we are serious about addressing greenhouse gas emissions and clean air, we need to look at the existing on-road population.

Many members on the committee have significant numbers of their constituents that are employed directly or indirectly by the automotive industry. Encouraging people to purchase new vehicles has a direct correlation to those high-paying jobs, whether in the manufacturing or retail sector.

Finally, the Ontario automotive industry can be a world leader in developing new, clean vehicle technologies with appropriate encouragement of higher-value-added vehicle technologies, such as batteries, lightweight materials and fuel cells.

In general, the next 12 months are going to be challenging for vehicle manufacturers. We will continue to face a strong dollar and a weak US economy, and it's going to have significant ramifications on the automotive industry in Canada, and especially in Ontario, as we ship 85% of our production to the United States.

I'll leave it at that, and look forward to your questions.

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

Mr. Tim Hudak: Thank you very much, Mr. Adams, and thank you for the presentation. I know my colleagues also have questions, so I'll give my two at the beginning, if you don't mind.

The first is, you say that Ontario is one of the highest-cost jurisdictions for automobile manufacturing; we just heard from OPSEU that Ontario is one of the lowest-cost jurisdictions. So maybe you could clarify as to why Ontario is in that position.

Secondly, if you could reiterate—as you mentioned, Premier McGuinty has said he wants to impose Ontario tariffs on imported automobiles from South Korea. Is there such thing as a provincial tariff in the first place, and what would those measures potentially be?

Mr. David Adams: Sure. If I can look at your first question, which was about highest-cost jurisdiction, I think what you'll find is that the competitive advantage, which Canada hasn't traditionally enjoyed in the production of automobiles, was largely a result of our currency. The fact that the currency has gained strength against the US currency has undermined a significant amount of that advantage. I think if you were to talk to my colleagues from the traditional domestic manufacturers as well, the labour agreements that were recently signed in the US also have contributed to undermining that advantage that Canada used to enjoy in terms of vehicle manufacturing. So right now, there are a number of different factors that are impacting the cost advantage that we used to hold.

With respect to your second question, in terms of measures that could be applied against Korea on a provincial basis, I'm not sure that there are any, to be honest. As I said in my remarks, my sense is that that's

not exactly what the Premier meant. I think what he was looking for was a level playing field at the end of the day. My challenge is often trying to help people understand what is an import and what is a domestic. Clearly, General Motors themselves import more passenger vehicles than Kia does, which many would find a surprise, because that's where their whole small-car fleet is coming from—overseas. I'm not sure if that entirely answers your question, but if I can do more, I would be glad to do so.

Mr. Tim Hudak: Thank you.

The Chair (Mr. Pat Hoy): Other questions?

Mr. John Yakubuski: Actually, my colleague covered—I was absolutely flabbergasted with the comments by the previous submitter about Ontario being the least expensive place to build a car. You touched on it in your answer about the recent labour agreements and the taking over of health care by employees and the unions themselves in the United States. They've made the gap almost unbelievable in the cost of producing a car in the United States versus the cost of producing a car here in Canada today. It is certainly something that is going to make it increasingly challenging for manufacturers to make the choice to establish here in Ontario if we don't address many of the things that we have control over in Ontario, which is the tax regime and everything else.

Certainly, with the Premier, I think that's exactly what he meant to say, and he just indicated a very poor understanding of international trade rules with regard to tariffs. I believe we should be doing everything we can to encourage those Korean manufacturers to establish assembly plants here in the province of Ontario to level that playing field, but threatening to impose tariffs when you don't even have the authority to do so is a pretty silly thing to start going around doing.

I do appreciate your clarifying that very important piece of information with regard to the changes in the dollar. Even before the Canadian dollar accelerated, we were looking at big changes because of the labour agreements that have been signed south of the border.

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Mr. David Adams: That's right.

Mr. Tim Hudak: On a point of order, Mr. Chair: I appreciate Mr. Adams's presentation. I was of a similar view. The notion of Ontario tariffs against imports is one, I think, that's relatively alien; I don't even know if it's legal. Heaven forbid me to say this, but I think Premier McGuinty may be blowing smoke on this issue. I would ask if we could get a report back—because the Premier did indicate in the media that he has staff to look at these types of tariffs—before we sit down for the report, if we could hear back from the Premier's office as to exactly what these tariff measures may be or if he just misspoke.

The Chair (Mr. Pat Hoy): If you could put that in writing, it would help the clerk.

Thank you for your presentation.

It might be a nice segue for me at this moment to bring up for all of the committee members that research has pointed out that they have quite a number of questions.

Mr. Tim Hudak: Where are they coming from?

The Chair (Mr. Pat Hoy): Their source is unknown to me. But there are a number of them, so, as we move along in these heavier days here in the south, perhaps pertinent questions might be thought about so that we can get them back in time for presentation—not to suggest the last question wasn't pertinent. But we have quite a number, and research is getting somewhat concerned about turnaround time.

ONTARIO BAR ASSOCIATION

The Chair (Mr. Pat Hoy): I will now call on the Ontario Bar Association to come forward, please. Good afternoon, gentlemen. You have 10 minutes for your presentation; there could be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. Greg Goulin: My name is Greg Goulin. I'm the president of the Ontario Bar Association. To my right is our president-elect, Mr. Jamie Trimble. I come from the southwest. He is from Toronto.

The Ontario Bar Association represents 17,000 lawyers, judges, law professors and law students across the province. As the voice of the legal profession, our voluntary membership-based association is the largest provincial branch of the Canadian Bar Association. Our role in advocacy is to advance reasoned positions to the public, to all levels of government, and to our regulator, the Law Society of Upper Canada, for the benefit of our members and to improve the law and the administration of justice.

I would like to address three specific items that we raised last week during the pre-budget consultations held by the Minister of Finance.

The first item is a follow-up to our letter last fall to the Minister of Training, Colleges and Universities asking that debt and interest repayment deferral be extended to law students doing their articles. They are still students, although they have graduated from law school. Most earn a very modest wage during this year, and repayment while they are at articles imposes significant hardship. We're not suggesting student debt should be forgiven, but we are asking for interest and repayment deferral until completion of the articling and bar admission process.

Secondly, I'd like to turn to our oft-repeated request to amend the Business Corporations Act. Under the act, lawyers cannot issue non-voting shares to immediate family members; doctors and dentists can. While it's clearly an issue of fairness, it's most decidedly an access-to-justice issue. In small towns and rural communities, this can be the difference between maintaining a viable law practice to serve the citizenry or packing up and moving to larger centres. The Ontario Bar Association submits that it is unfair and inappropriate to permit doctors and dentists to have this right under the act but not lawyers.

I would like to conclude this brief submission by speaking to you about the reality of Ontario's justice system. As an association dedicated to promoting the rule of law and the administration of justice, it was disheartening, to say the least, to see that no party in last year's provincial election included a consolidated justice plank in their platform. Each party mentioned a piece of the system, whether it was safer communities, ending violence against women or more crown attorneys. But nowhere was there a detailed proposal that showed an understanding of, or a commitment to, Ontario's justice system. That highlights the very urgent need that we want to draw your attention to in these pre-budget hearings today.

The justice system, the rule of law, underpins Ontario's civilized society. We are as relevant and essential as health care and education. Ontario's justice system simply must become a greater priority at the budget table. People's rights and liberties are dealt with in the criminal, civil and family justice systems. Victims seek redress and closure through Ontario's courts and tribunals. The rule of law is the foundation, the cornerstone, of our society.

Decades of underfunding and band-aid solutions because of current media attention have brought us to where we are today: a system straining under its own weight and in danger of allowing access only by the very poor or the very rich. We are encouraged by the recent recommendations of Justice Coulter Osborne on the Civil Justice Reform Project. Much of the Ontario Bar Association's submission to Justice Osborne appeared in his final recommendations, and we believe that swift implementation may begin to address some of the immediate and pressing needs in the system.

We commend the government on the infusion of \$51 million in sustainable base funding for Legal Aid Ontario last year and for the coming two years. It is a significant investment. We are going out on a limb here, however, to suggest that consideration be given to funding envelopes in the legal aid system so that criminal, civil and family law have specific allocations to address the demand. The Ontario Bar Association's submission to Professor Trebilcock detailed a series of recommendations to improve legal aid which we would be happy to share with the committee if they would be of interest.

Central to our submission to Professor Trebilcock is our third specific agenda item, which is the need for continuing significant and sustainable investment in legal aid. This is dire, and there is no other way to phrase it. When over 35% of family law applicants are turned away, that's a lot of single moms and dads with kids in need. The ripple effect on the system is horrendous as they descend into poverty and onto social assistance. Such individuals have no choice but to access the courts, and too often must represent themselves. They are no match for experienced counsel on the other side, and judges must take up valuable court time to instruct them in how to proceed and ensure that the process is balanced. Unrepresented or self-represented litigants now

account for more than 50% of family law matters in many counties in Ontario.

Resources which continue to be allocated on population figures 20 years out of date mean significant delays. Unacceptable wait times aren't just for health care anymore. It takes 13 months in Ottawa to get in front of a Family Court judge after the settlement conference. To put that in clearly understandable terms, it means you can get a hip replacement, a knee replacement, cataract surgery, an MRI and a CT scan in Ottawa before you can see a Family Court judge. Across Ontario, we hear routinely of daily dockets of 100 cases, sometimes more. At best, a judge can clear perhaps 20 or 25 cases in a day. So if you do that rudimentary math, you'll grasp the enormity of this crisis. When the Ontario Bar Association went out and did town hall meetings across Ontario last year, we heard these same stories from citizens and legal stakeholders alike. At our Justice Stakeholder Summit in June of last year, we heard it for two solid days.

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By way of example, putting 1,000 new police officers on the street was necessary and an appropriate response by the government. One must be cognizant of the impact that such an initiative has throughout the system, however. One thousand additional police officers results in tens of thousands more charges, and the system can't keep up with the charges working their way through it now. That's just one reason for plea bargains and early release. The system and those working in it and using it are desperate for your attention. More judges, more courtrooms, more crown attorneys, more referral services and a commitment to alternatives to the courts aren't just nice-to-have items on a shopping list; they're necessary. They are essential and we need them now.

Ontario's justice system must, after decades of second-class status, become a priority of all parties in Ontario. The rule of law and the administration of justice can no longer take a back seat. We sincerely hope that you and your colleagues will reassess the placement of the justice system on the province's priority list. If health care and education are viewed as sacrosanct, then justice must be afforded that same status. Ontarians deserve no less. Thank you.

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

Mr. Michael Prue: Thank you very much. I have three separate questions. The first one has to do with students. There have been several deputations before the committee to date asking that students not begin to pay their loans back until one year after graduation; currently it's six months. If that same standard was applied to articling law students, would one year be sufficient?

Mr. Greg Goulin: It would come close to being sufficient. The articling and the qualification process, as you know, has changed dramatically from our days, even. The point is that normally the articling process can last up to a year, and then there's the exam process, which can take up to six months, or longer in some cases,

depending on how the students arrange it. Our concern is that our young lawyers or potential young lawyers can focus on learning and on qualification before they have to focus on the reality of debt repayment when, during the learning process, there are still not funds available.

Mr. Michael Prue: The second question had to do with people being turned away in family law. This is something I see a lot in my constituency office, particularly in poorer parts of the constituency, or in the city or the province: people coming forward who have no representation. You have said that they represent themselves, which I've seen. They also get social service agencies and other unqualified people to assist. Is there a higher failure rate or conviction rate or those kinds of things when people go without a lawyer?

Mr. Greg Goulin: Generally speaking, that's the case. How should I say it? When one chooses to represent oneself in any endeavour, sometimes there is a loss of objectivity. The loss of objectivity might not only hurt one's cause, but certainly, shall we say, diverts the focus of the issues that are being discussed. This, in turn, results in a greater need for a judicial system that is better staffed, with more judges, more staff, more facilities.

Mr. Michael Prue: The last case you made was about the system being overloaded, and I don't think there's any doubt in anyone's mind, when you see that a case takes a year to get to trial, or two years, in the criminal court; the family justice, you've talked about it being a year before you can even get in front of one. Everything, down to parking tickets, can take a year.

The problem, which you've not dealt with, that I have witnessed in the courts is that oftentimes counsel appears to be dilatory. Is there anything we need to do about that, as well—lawyers asking for adjournment after adjournment after adjournment, I think to the exasperation of the crown and judges universally.

Mr. Greg Goulin: It depends on which system you're talking about. Family, if I may use that term, is a separate entity to civil to criminal. I would suggest to you, sometimes in criminal court a judge might take great relief that at least one case has been removed from a docket they're never going to accomplish anyway. That said, that does not serve the ends of justice, when cases are delayed to the point where they're stayed.

In family and civil matters, you'll find, as well as what is starting in criminal matters, a system that's being imposed that requires movement, which requires progress. I'm a criminal law specialist from Windsor, Ontario, across from Detroit. There, matters go to trial in 90 days, even homicide. That said, the system requires staffing, requires facilities, requires the ability to handle the load. I would suggest to you that if everything was pushed the way it should be, the system would grind to a halt. It's much like a funnel, where the small end has remained the same diameter but the large end, the intake end, has expanded immensely. It is going to clog. The inability to deliver justice does not enhance respect for the law.

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

ADVOCACY CENTRE FOR
TENANTS ONTARIO
CLINICS' HUMAN RIGHTS
WORKING GROUP

The Chair (Mr. Pat Hoy): Now I call on the Advocacy Centre for Tenants Ontario and the Clinics' Human Rights Working Group to come forward, please. Good morning. You have 10 minutes for your submission; there could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Mary Truemner: Good morning. My name is Mary Truemner. I'm the acting director of legal services at the Advocacy Centre for Tenants Ontario, ACTO for short, a specialty legal aid clinic which is funded by Legal Aid Ontario to improve the housing situation of low-income Ontarians. With me is Mary Todorow, our policy analyst at ACTO.

I thank the Ontario Bar Association for recognizing the need to increase funding to legal aid, but today we are focusing on housing. We add our voice to those calling for concrete dollar investments, starting with this spring's budget, to fund the promised poverty reduction and long-term affordable housing strategies.

With me also is Consuelo Rubio, a community legal worker with the Centre for Spanish Speaking Peoples, whose clinic, like ACTO, is a member of the Clinics' Human Rights Working Group. She will share our time and speak to the need for funding the new human rights system.

Affordable housing is key to poverty reduction and economic prosperity. We have been immensely heartened by and applaud Premier Dalton McGuinty's commitment to establish both a comprehensive poverty reduction strategy and a long-term affordable housing strategy. We won't waste your time speaking about the need for affordable housing; if we had a housing unit for every paper that documents that need, then we really wouldn't need a new housing supply program. But we have attached a nice little set of fact sheets. They're tight and they're at the back of my submission. They look like this.

Support for affordable housing is also on the business community's agenda. At its 2007 annual general meeting, the Ontario Chamber of Commerce noted: "Housing costs are a major source of a wage pressure for businesses.... 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." We agree.

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An effective, long-term affordable housing strategy will be a key factor in the development of a powerful poverty reduction strategy, housing costs being the largest financial challenge for low- and moderate-income households and a critical barrier to fully participating in

the economy. Crucial to the success of both strategies is a bold financial commitment from the province.

While we understand that the development of these multi-faceted strategies will involve consultation, we urge you not to delay making the funding commitments. Put the money in the budget now. We recommend that significant down payments be made in the Ontario 2008 budget on the following four recommendations:

First, a new provincially funded and truly affordable social housing supply program. The allocations under the Canada-Ontario affordable housing program—AHP—have been completed, yet we must sustain the delivery capacity within the sector until the new housing strategy, with a new, improved supply program at its centre, is in place. We agree with ONPHA—you've heard from ONPHA already—that, transitionally, AHP should be extended, incorporating design changes identified through the experience with AHP, such as increased capital subsidies, to improve affordability for low-income households. This is crucial considering that 36% of Ontario's tenant households are living at or below the poverty line.

We also recommend—this is our second recommendation—that money be allocated for new rent supplement programs for low-income households in social and private sector housing, but rent supplement programs should not be considered a replacement for a robust supply program. We also agree with ONPHA's recommendations with respect to an emergency housing allowance program based on average rents that will provide financial assistance for special-priority households urgently needing to access housing.

Our third recommendation is that a social housing rehabilitation and renovation fund must also be established. You've heard from the municipalities. They simply do not have enough money to carry out sorely needed major repairs and upgrades to our aging social housing stock. And who bears the brunt? Tenants, whose health, safety and security are compromised by leaks, mould, out-of-service elevators and broken entry doors. Both ONPHA and CHF, Ontario region, have made solid recommendations on financial mechanisms to repair and renew existing stock, and we agree with them.

Our fourth recommendation, and this is something we fight very hard for, is an increase to social assistance rates, with a shelter allowance component that matches the real cost of housing for recipients. In the past three years, this government has provided modest increases to social assistance rates, increments that fall short of addressing the cost-of-living increases over the past decade, particularly with respect to rent. Please bear in mind as I talk about this that while 96% of Ontario Works beneficiaries are tenants, only 17% of them live in subsidized housing; the rest live in the private rental market. At the back of my submission you will find a coloured chart. We love this chart; it's so clear. You can see that a single mother with two children receives a maximum shelter allowance of \$595, regardless of where she lives in Ontario. Yet in Toronto, the average rent for a two-bedroom apartment in October 2007 was \$1,061

per month, not the \$595 she received to pay for her housing. Fourteen years ago, in 1994, the chart shows a much smaller gap between what was provided and what was needed. To lay the groundwork for the province's poverty reduction strategy, groups such as the Income Security Advocacy Centre—you heard from them last week—and Campaign 2000 are calling for an immediate substantial increase in OW and ODSP benefits and permanently indexing social assistance rates. We echo their recommendations.

To conclude, we urge you to demonstrate your commitment to an affordable housing strategy by putting the money on the line—the line item in the budget, that is. We look forward to new allocations in the Ontario budget that will make immediate investments in the poverty reduction and long-term affordable housing strategies. Thank you.

Consuelo?

The Chair (Mr. Pat Hoy): We have about three minutes left.

Ms. Consuelo Rubio: All right. I'll try to read fast.

As Mary said, I'm with the Clinics' Human Rights Working Group, which is a group of community legal clinic workers with significant experience trying to make the human rights system work for our low-income clients. Our group supported Bill 107, the changes to the human rights system. Now, while hoping that the new human rights system will improve access to low-income and disadvantaged communities, we see danger signs that appropriate funding may not be provided to all three components of the new system: the tribunal, the commission and the new legal human rights centre.

While Bill 107 removed barriers to access to justice, direct access to justice will not materialize unless all three components of the new system are adequately funded to remove language, cultural and physical barriers to ensure full participation of the most vulnerable and marginalized people who are seeking remedies to the violations of their human rights.

In order for that direct access to materialize, there are a number of components that have to be there. There has to be adequate physical space. Funding for interpretation at all stages of the process is vital. There is a need for a local presence and visibility, and for a full staffing complement. Casework cannot be dumped on over-extended community agencies and clinics.

I'll go one by one now. I wanted to make sure that I got everything in.

Adequate physical space, number one: The centre and the tribunal will have to be equipped to receive claimants in their offices. Many low-income individuals do not have regular access to a phone or the Internet.

Funding for interpretation at all stages of the process is vital. I guess this one is very dear to my heart. Many claimants will come to those human rights offices without English or French, particularly those alleging discrimination because of race, ethnic origin or place of origin. The centre and the tribunal must be accessible by ensuring that service providers have extra time to

interview clients and to translate and interpret necessary documentation. To receive adequate legal services, clients require full professional interpretation services, including cultural interpretation, rather than a makeshift approach of using whoever is available. I would urge the use of a model similar to the one used by the Workplace Safety and Insurance Board—the private sector got it right—that ensures access to interpreting in offices and during all tribunal proceedings.

As an example of the level of need, in 2007, 18.6% of Workplace Safety and Insurance Appeals Tribunal hearings required interpreters, and in the 2006-07 period, 17% of Social Benefits Tribunal hearings required interpreters. The figure might be a bit higher, considering the nature of the proceedings in human rights.

The need for a local presence and visibility: Regional barriers to access to justice are significant for individuals living in rural areas and in northern Ontario, particularly aboriginal persons. Legal aid clinics in the north have identified the greatest barrier as physical access to basic services. Without a car, in an area with no public transportation, a long journey is not possible. There is a need for accessible and locally visible legal services that can bring services to clients. Local facilities with case-workers equipped with the Internet and fax are crucial, such as the satellite clinics operated by community legal clinics. Proximity and visibility increase the likelihood that people will come to understand that they have protections from discrimination and are able to exercise their rights.

Full staffing complement: Service providers at the human rights support centre in particular will need to take the time to fully explain legal options to ensure that clients are empowered to make informed decisions. Mental and cognitive disability should not disqualify claimants from claiming human rights. They will need to be accommodated, which requires recognition that interviews will be lengthy and are likely to need repeating. In the real world, a disabled client might easily have a bad day or miss an appointment, particularly if they are surviving homelessness, as so many mentally disabled Ontarians are. This personal and time-consuming service requires that the legal centre be adequately staffed; that is, adequately funded.

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Casework cannot be dumped on overextended community agencies and clinics. We're sort of the dumping ground. If anybody doesn't want to deal with someone, that is where people are sent.

Clients will continue to seek out legal assistance from trusted service providers, which include community legal clinics. These service providers are already stretched to the limit with housing, income security, workers' compensation, refugee and employment law casework. We can be a resource, but we cannot be relied upon to provide the services the centre and the tribunal have been legislated to provide.

This is a historic opportunity for Ontario to be an international leader in promoting and ensuring human

rights and remedies for violations. We urge you to ensure the new system can function at its best by providing a substantial investment of funds.

Thank you.

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

Mr. Charles Sousa: Thank you very much for being here today. I appreciate the work you do in terms of helping and the initiatives you've taken to help those most vulnerable. I appreciate that.

Today I'd like to ask you a question in regard to the Residential Tenancies Act. Some have said that it fulfills our government's commitment to provide tenants and landlords with strong and balanced protection while fostering a more robust rental housing market, including better protection for tenants, including provisions for better-maintained buildings whereby landlords can increase rents while things are under control; maintenance; guidelines for fair rent increases at 1.4%, the lowest in Ontario's regulatory history; elimination of unfair eviction processes, where no automatic convictions are available—every tenant now has the ability to be heard before the Landlord and Tenant Board; and new rules for utility increases, where landlords must then reduce rents if costs go down. That includes the same for capital expenditures after those expenditures are paid off.

So I guess my question—and, Mr. Chair, please don't misinterpret this as a government policy; I'm simply wanting some clarity here.

Interjections.

The Chair (Mr. Pat Hoy): Order.

Mr. Charles Sousa: Today we heard from the Federation of Rental-housing Providers of Ontario, and they are calling for Ontario to repeal the 2008 rental guideline as being unfair and detrimental to fostering investment in this sector. Can you please give me what your response would be to that?

Ms. Mary Todorow: In terms of the rent increases not being enough? Well, we still have vacancy decontrol in this province, which means that on turnover, a landlord can increase the rent of a unit to whatever the market will bear. The fact is that tenants' incomes have been declining, and it's a lower and lower income pool of potential tenants who are available to fill those units. So the fact that they are moderating the rent increases at this point, where there is a slightly higher vacancy rate—and it hasn't been prolonged. It's been higher than in the last 30 years, but it hasn't been a prolonged period of higher vacancy rates. If there's not enough supply coming out, you'll see those rents going up again.

Mr. Charles Sousa: That's it. Thank you very much.

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

KNOWLEDGE ONTARIO

The Chair (Mr. Pat Hoy): I call on Knowledge Ontario to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up

to five minutes of questioning. I ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Peter Rogers: Good morning, Mr. Chair. My name is Peter Rogers. I am the chair of the Knowledge Ontario board. I have with me David Thornley, who is our new executive director, as of a week.

On behalf of the board and staff of Knowledge Ontario, we welcome this opportunity to share with you our ideas and plans for the future in contributing to a more innovative, inclusive and digitally literate Ontario.

This morning, we will focus our remarks in three areas: the unique value proposition that Knowledge Ontario represents to the people of Ontario, project achievements to date in delivering important new collaborative services through our partners, and an outline of the steps we have taken to create a foundation for success and plans we would like to pursue with your active participation and support.

Knowledge Ontario is a unique collaboration involving Ontario's 6,500 libraries—public, school, university, college and government libraries—designed to meet the learning and information needs of all Ontarians. Knowledge Ontario holds the promise of providing equitable and seamless access to high-quality digital content and services to people at every stage of life and reflective of Ontario's diverse communities.

Libraries represent a highly trusted source of authoritative information in meeting the learning needs of students, both K to 12 and post-secondary settings; workers seeking to develop and upgrade employment and technical skills; as well as consumers and hobbyists looking to satisfy their leisure, entertainment and health information needs.

The government of Ontario has clearly articulated the importance of building a knowledge-based economy by strengthening education and skills, leveraging diversity and enabling a culture of innovation. Knowledge Ontario fully embraces this view. Our vision and objectives are rooted in collaboration and promote a culture of innovation in our schools, our cultural institutions and our communities.

Equally important, Knowledge Ontario is committed to playing a major role leveling the playing field in terms of access to digital content and services. Through our projects, all Ontarians, regardless of where they live, are able to benefit from similar access to databases, research findings, broadcast media and the richness and diversity of the province's culture and heritage sites. This digital content would not be available to many smaller communities and libraries without Knowledge Ontario's ability to leverage seamless access for everyone as part of negotiating cost-effective province-wide solutions. In our view, such access is critical in enabling the creation of an informed, educated and engaged citizenry ready to meet the challenges and embrace the opportunities of the knowledge economy.

With an investment of \$8 million provided in the spring of 2006, Knowledge Ontario has embarked on the first stage of an ambitious five-year plan that will see the

launch and development of six distinct but mutually reinforcing project areas:

—Ask Ontario, a real-time interactive virtual online reference service called askON;

—Our Ontario, an easily accessible next-generation portal delivering Ontario's history and culture in digital form, with more than 60,000 images already available on the site;

—Resource Ontario provides access to quality online authoritative databases from home, school and the workplace, delivered free to all Ontarians;

—Connect Ontario, a new online public access catalogue creating not only a rich new searching experience but also offering shared space for people using library services to connect in social networks—a library Facebook;

—Teach Ontario, online teaching modules to assist all Ontarians to improve and enhance their online digital literacy and searching skills;

—Video Ontario, a service focused on delivering equitable access to streaming video resources right across the province.

We have focused our initial investments on the first four project areas to ensure a sufficient critical mass to support rapid deployment and demonstrate early success in three areas:

—access to high-quality digital databases—magazines, newspapers, scholarly journals—in small and medium-size communities across Ontario that otherwise would not have been able to secure access to such resources. Thunder Bay and Niagara-on-the-Lake, for example, have gone from one or two databases to over 40. These databases were acquired through a province-wide bulk purchase agreement at a huge discount;

—leveraging broad participation and in-kind contributions from key stakeholders both within and beyond the library community in developing award-winning and innovative services such as Our Ontario;

—extending the capacity of existing library resources through online chat and other Web-enabled technologies to support learning and research needs through connections from anywhere people live, work or play.

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Some key project achievements: We would like to briefly summarize a few key project milestones and achievements to help illustrate how much we have been able to accomplish since the spring of 2006.

Resource Ontario: This project initiative is focused on negotiating province-wide licensing and providing distributed access to a suite of online databases to all Ontarians in 6,500 libraries. These databases are available free of charge to library patrons, 24 hours a day, seven days a week, from anywhere in the province with an Internet connection. Access to these learning and research resources would not be possible in many smaller communities without the work of Resource Ontario. These database licences are for an initial two-year period. In the last quarter of 2007 alone, usage of the databases totalled more than 4.5 million sessions, with roughly two

million document retrievals. The ability to sustain and extend this project will depend on our ability to secure an ongoing funding commitment from government.

Our Ontario, a unique partnership with cultural and heritage organizations of all shapes and sizes, creates the ability to navigate and find thousands of individual learning objects in minutes. Libraries, museums, archives, historical societies, government agencies and community groups are uploading hundreds of resources daily. In addition to the existing Our Ontario search and delivery of digital objects, we are launching a government document mini-portal as part of the site on February 1; over 20,000 documents from the Legislative Assembly of Ontario will be available to the public, with browse and search capabilities. The ability to search and obtain the full text of over 20,000 government publications is a unique service, fulfilling a key mandate of our 2006 business case.

Last fall, we implemented our VITA software tool kit and provided both virtual online and in-person training. We've received strong positive feedback about how easy it is to use. This service is critical to our efforts to support smaller communities and organizations. David Sharron, head of special collections and archives at Brock University, for example, used the VITA tool kit to upload and showcase the original Welland Canal maps. Both small organizations with limited resources, such as Kapuskasing, and large organizations such as Wilfrid Laurier University, are using the VITA software.

Ask Ontario/ONdemande are the brand names for Ontario's online, real-time chat research and reference service. Phase 1 of Ask Ontario involves Ontarians from 17 communities around the province chatting in real time with expert library staff who can help find relevant and authoritative information, answer questions, deliver articles and improve the public's web searching skills—the library's online Telehealth equivalent. The askON project came together quickly. Since June 2007, librarians from around the province in all library sectors have contributed hundreds of hours serving on the askON project, focusing on implementation, technology, marketing and service. The service was developed and able to be launched in six months for two reasons: One was collaboration, and the second was a strong desire among Ontario's libraries to explore and leverage the strengths and expertise within our publicly funded library sectors. The Minister of Culture, Aileen Carroll, will officially launch this project on January 31.

In parallel with this initiative, Knowledge Ontario partnered with TVO's Independent Learning Centre to deliver 4ReSrch in September 2007. Provided through the Ask a Teacher online tutoring service, experienced teacher-librarians offer real-time online support to improve students' research and information literacy skills. Since September 15, the online teacher-librarians have answered 2,386 questions. They're running neck and neck in math and science, by the way.

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

Mr. Peter Rogers: Thank you. I'm going to just skip on a little bit here because of that.

Knowledge Ontario has built a solid foundation, and we now look to the province to continue to partner with us as we embark on the next stage of our work: the doors, windows and living spaces of a full-fledged provincial digital library. We have established a new vehicle for the province, not only for delivering digital resources and services but also for bringing a level of equity of access to information across the province.

One of our librarians, and a member of the board, Ken Roberts, related this story to me and I'm going to read it to you.

"My sixteen-year-old son, Caleb, has a condition called multiple endocrine neoplasia.... He was diagnosed with this condition more than 10 years ago. As soon as his specialist said the term, I raced to the Internet and conducted a search. Internet resources said, as they still do, that my son was going to die, probably in his teens, of a painful and rare form of cancer. I then raced to look up the condition in medical reference material in the library. Even newly published material said exactly the same thing. At that time, the Hamilton Public Library had staff access to electronic databases. It was the same type of information now available to the public as a result of Knowledge Ontario's licences. I discovered, after searching those databases, that new medical research suggested a process that just might save Caleb's life.

"Today, Caleb is the first Canadian to have been declared 'cured' of the cancerous condition.... When people talk about the fact that books are friendlier than electronic screens, I tell them the story of Caleb and ask them which was friendlier, the books that said my son would die or the electronic information that saved his life?"

Thank you for your time and your attention.

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

Mr. John Yakabuski: Thank you very much Messrs. Rogers and Thornley for your presentation today. It's great to hear about Caleb's recovery, like a new life, and that's fantastic. I have a sixteen-year-old son as well, and I can only imagine what I would have been going through if I was dealing with those same situations.

You talked about equity throughout the province. I think we'll all agree here—I don't think there will be a dispute on that—on the importance of knowledge. Knowledge, and I don't say this is an abusive way, is power. To have knowledge is to give you a whole lot of options, not just today but forward, as we go into the future as well, no matter what your pursuits may be.

You talked about equity, and I wanted to talk about the government, when they cancelled the broadband plan back in 2004, and then last year—election year—they came up with \$10 million for a rural broadband program across the province of Ontario. I think you would have to accept that \$10 million across all of rural Ontario is a pretty thin coat of paint with regard to helping people get access to that kind of service. In my area—I come from

the riding of Renfrew–Nipissing–Pembroke—for a great number of our citizens, the only Internet access they have is dial-up.

Your first experience on the Internet was one that didn't necessarily give you the most up-to-date information, but the books were also not up to date. I always caution people that while the Internet is a tremendous source of information, it shouldn't be something we rely on exclusively. But it is a good first step to getting us to where maybe we need to get more in-depth information and possibly in touch with the professionals that can help us on those very complicated issues that we may be looking into. But having access to that is paramount to being able to have equality throughout the province of Ontario.

When you're talking about \$10 million across the province of Ontario, it doesn't amount to a hill of beans, as they say. If the government is serious about making sure that rural people have access—now, there are private companies, Explorenet and others, that are looking at providing Internet through satellite and through towers and stuff like that. But again, the rural people are also among the lowest-income people, on average, in Ontario. Those services will cost significantly more than services that someone could provide to a number of people through one service provider source, or whatever you want to call it—satellite, towers or whatever.

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

Mr. John Yakubuski: Yes. You haven't talked about the importance of the government specifically to rural Ontario and what they must do to allow us to participate equally in that knowledge pursuit.

Mr. Peter Rogers: No, but we have been tackling the broadband issue with the government. There is a system already in place called ORION, which you may know about, which was funded by the government and is now a private organization. We've been struggling with the government and ORION to push that agenda, so that everybody in the province has access. Right now, the good part of the resource databases is that most of them do not rely on broadband, they can be accessed through the other way. But that doesn't give the answer of where we have to go with it. Because we are a collaborative group and because we represent these five huge sectors in the province, we're able to call people like ORION to the table.

ORION right now has a study going on that is looking to bring all the school boards on their network. Already, the colleges and universities are all on the network, so that's a big movement. Of course, if the school board decides through the education ministry that they're going to join the ORION network and that money comes from the ministry, the question then is: Where are the public libraries in all of this? So the thing is very closely tied together.

We've tried to run very careful stepping stones here, because we're all about the content, and we don't want to have to take all of our money and put it into the

broadband. We think that Ontarians all across the province also deserve high-speed, and that that is a government priority; if they're going to deliver service to Ontario, it's also a priority there. But believe me, we have our eye on it all the time, and we're pushing that agenda as well. That's all I'll comment on.

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

Mr. Peter Rogers: You're welcome. Thanks for the opportunity.

The Chair (Mr. Pat Hoy): The committee is recessed until 1 o'clock.

The committee recessed from 1201 to 1306.

ONTARIO CHIROPRACTIC ASSOCIATION

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. Our first presenters of the afternoon are the Ontario Chiropractic Association. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I'd ask you to identify yourselves for the purposes of our recording Hansard.

Dr. Bob Haig: Thank you, Mr. Chairman, ladies and gentlemen. My name is Dr. Bob Haig. I'm the executive director of the Ontario Chiropractic Association. With me is Dr. Tom Gadsby, who is the president of the Ontario Chiropractic Association. He practises in Beamsville, Ontario.

The Ontario Chiropractic Association strongly supports the government's focus on reducing poverty, providing opportunities for all, and building a healthier Ontario. The association is committed to working with the government of Ontario to help achieve these goals.

The government's decision to increase investments in dental services for children and low-income Ontarians clearly demonstrates its commitment to vulnerable populations. As well, Queen's Park continues to make strategic investments in health care to reduce wait times and improve access to health professionals. The 29% increase in health care expenditures from 2003-04 to 2007-08 exemplifies the government's commitment to improving health care delivery and ensuring sustainability.

The health care system's sustainability, however, depends upon the implementation of increased measures to improve general wellness and prevent illness through the promotion of healthy, active lifestyles and the appropriate use of our health care human resources. As primary care providers, Ontario's chiropractors are ideally positioned to work collaboratively with other health care professions as part of family health teams and local health integration networks. The OCA believes that family health teams and LHINs that include chiropractic ensure the highest quality care for patients and promote greater access to chiropractic for vulnerable populations while easing the burden on other professionals in the health care sector.

Dr. Thomas Gadsby: The OCA was heartened when Health Minister George Smitherman indicated that despite delisting, chiropractic services could be made available through family health teams, and, as family health teams evolve, we are aware that the government continues to consider how chiropractic and other health care services are to be included. For this reason, the Ontario Chiropractic Association felt it important to share with you the results of recent research into the effectiveness of including chiropractic in family health teams and other primary care settings.

You may be aware that there are three recently concluded pilot projects funded by the primary health care transition fund which studied the effects of integrating chiropractors into three different primary care settings. At Toronto's St. Michael's Hospital, under the leadership of Dr. Deborah Kopansky-Giles, chiropractors are now on staff working with medical doctors, physiotherapists and other health care providers in the hospital's department of family and community medicine. Dr. Silvano Mior, a chiropractor and researcher, has led a recent interdisciplinary collaboration study in three family health teams. The Rosedale Medical Group in Hamilton, one of the sites, includes a full range of health care providers, from family physicians and chiropractors to nurse practitioners, registered nurses and mental health professionals. The study has found that the number of patients taking medication for neuromusculoskeletal conditions, including back pain and repetitive strain injuries, decreased by 23% when treated by a chiropractor.

In the Ottawa area, a pilot was conducted at Carlington Community and Health Services to investigate the impact on both traditional medical providers and patients of introducing a chiropractor into a community health centre setting. This study has demonstrated the ability of chiropractors and traditional medical practitioners to work together in a collaborative multidisciplinary team, and to successfully treat clients of CHCs with complex chronic conditions. In all cases, the working relationships established among the chiropractors, physicians and others on the health care team were positive and resulted in improved patient care. There were consistently high patient and provider satisfaction scores, there were positive clinical results of reduced pain and disability in all settings, and there was reduced medication use—both frequency and dosage—in the one study in which this was measured.

Back pain is one example that illustrates the benefits of including chiropractic in integrated primary care settings. Health Canada has reported that back pain is the second most common reason for seeing a medical doctor. It is a problem that costs the Canadian health care system more than \$16.4 billion a year in direct and indirect costs, including prescription pain medications and surgeries.

In multidisciplinary settings, such as family health teams, where providers work collaboratively, more patients suffering from back and joint pain should be treated by chiropractors, easing the burden on general practitioners and significantly reducing costs. Chiro-

practors working collaboratively with physicians and other health care providers have been shown to reduce the wait list for spinal surgery by an estimated 70%.

The many complex needs of patients are beyond the expertise of any one health profession, and patient-centred care requires interprofessional collaboration. As family health teams evolve, the inclusion of chiropractors can help ensure the best use of Ontario's resources and the best care for Ontarians. The results of the pilot projects cited above demonstrate that a more systematic and concerted effort to include chiropractic in integrated settings will benefit patients, other health care professionals, and the health care system as a whole.

When chiropractic services were delisted from OHIP in 2004, there were both direct and indirect consequences. A survey of OCA members determined that the numbers of chiropractic patients in three vulnerable segments of the population had significantly declined since delisting. These include those on social assistance, the working poor, and some seniors on fixed incomes. This decline reflects the financial barrier the vulnerable populations now face in accessing chiropractic services, and it is an unfortunate and unintended consequence of delisting.

Today, approximately 1.2 million Ontarians use the services of a chiropractor every year. Of these patients, approximately one third suffer from chronic pain. Meanwhile, Ontarians who are members of those vulnerable populations continue to access health care, but, instead of utilizing relatively affordable and easily accessible chiropractic care, many are now turning to emergency rooms and family physicians, whose services are fully funded by OHIP. A report on utilization of the Mt. Sinai emergency room found that back pain was the eighth most common non-urgent condition to present. This is despite the fact that back pain is almost never an emergency.

In March 2007, the government of Ontario presented a budget designed to expand opportunity for all Ontarians. Specific measures were introduced to help those living beneath or near the poverty line. Premier McGuinty has repeatedly stated his commitment to addressing the needs of Ontario's vulnerable populations.

As Ontario's population continues to age and the prosperity gap continues to widen, including chiropractic in family health teams across Ontario would significantly improve access to chiropractic for vulnerable populations by removing financial barriers. Such a move dovetails perfectly with the stated goals of this government to reduce wait times and build a healthier Ontario, and is clearly aligned with the government's commitment to provide opportunity for all through the provision of services to aid Ontario's most vulnerable citizens.

Working collaboratively with other health care providers to improve continuity of care and thereby help patients to stay healthy and active, chiropractors can help to prevent injury and illness and lead to a reduced reliance on more costly medical interventions.

In the interest of building a healthier Ontario, the OCA, in conjunction with Ward Health Strategies and the DeGroot School of Business at McMaster University, has developed a proposal that includes detailed funding options for the government's consideration. Each funding option is offset by savings elsewhere in the system. For instance, there is mounting consensus that members of vulnerable populations who would have otherwise seen a chiropractor have increased their use of family physicians, emergency rooms and medical specialists. Costs can be tailored to a variety of options, as outlined in appendix A, and will be contained depending on service offering.

The OCA has presented the Ministries of Health and Finance with a plan including the social and economic rationale to provide modest funding for these groups. We urge you to consider that plan carefully and address this issue in the 2008 budget.

Thank you for your time and for this opportunity to speak today.

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

Mr. Michael Prue: Before I actually get into your plan, which I've seen before and which is a good one, I'm just puzzled by a couple of the statements that you made. You made the statement, to start, "A survey of OCA members determined that the numbers of chiropractic patients in three vulnerable segments of the population had significantly declined since delisting." You mostly talk about people who have very little income, and that is no surprise, but then you go on to state—and this is where I need to ask the question—"This decline reflects the financial barrier the vulnerable populations now face in accessing chiropractic services, and it is an unfortunate and unintended consequence of delisting." Surely the government knew. I think every opposition member who spoke against this in 2004 talked about these three groups being denied—and would be denied—service. Why do you think it was unintended? I think they intended to do this.

Dr. Bob Haig: I understand where the question's coming from, and you understand better than we do the complexities of putting a budget together. The association does not believe that it was the intent of the government to put anybody at risk by doing that.

Mr. Michael Prue: What was their intent, then?

Dr. Bob Haig: The Minister of Finance was clearly putting together a budget that was focused on health and had to take steps in order to secure the funding. That was not the only financial health-related initiative in that budget.

Mr. Michael Prue: Are you saying he was unaware of the consequences, that poor people would be in pain, that poor people would be unable to access the service?

Dr. Bob Haig: I can't speak for either of the ministers or the government, but we don't believe that they intended at all to put anybody at risk, particularly these groups of vulnerable Ontarians.

Mr. Michael Prue: But now that they know that, should they be relisted?

Dr. Bob Haig: We believe that it would be wise, not just for those particular people but for the health care system as a whole, if they did provide that access. We're actually looking at the long view, not the short view, and the long view is that for the health care system to function well down the road, you need to make the best use of the resources, including human resources.

The other unfortunate consequence of delisting is that it has hampered the ability of practitioners to collaborate. We think it's very important down the road that practitioners be in a setting and an environment where they can collaborate on patient care. That's why there are different options presented, one of which specifically talks about integration with existing primary care reform initiatives such as family health teams.

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Mr. Michael Prue: The options that you have, just so that they're part of the record—I can see that they cost differing amounts of money. You have the proposed funding model on page 6, then you have a mixed population model bottom of page 6 and over onto page 7, both of which cost different amounts. What's the difference between these two, in a nutshell?

Dr. Bob Haig: The fee-for-service option is simply providing some funding for those individuals who are identified on a fee-for-service basis. The mixed population model would provide fee for service for those people who are not rostered with family health teams, but would provide a blend of capitation and fee for service, a blended model for the patients who are rostered to a family health team. We believe that's preferable because it moves the reform agenda forward as well as assisting these people who have been unintentionally disadvantaged.

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

ONTARIO COALITION FOR BETTER CHILD CARE

The Chair (Mr. Pat Hoy): Now I call on the Ontario Coalition for Better Child Care. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Andrea Calver: Thank you. My name is Andrea Calver. I'm the acting executive director at the Ontario Coalition for Better Child Care.

Ms. Rebecca Truong: I'm Rebecca Truong. I'm a placement student at the Ontario Coalition for Better Child Care.

Ms. Andrea Calver: On behalf of the Ontario Coalition for Better Child Care, I want to thank you for inviting us here today. We have a very broad and diverse membership all across Ontario. Our fundamental beliefs

are for universal child care, publicly funded child care, high-quality child care and not-for-profit child care.

On the positive side, we are really hopeful about the new full-day learning program which has been proposed for four- and five-year-olds. The program is universal, and it's publicly funded: That's exactly what we've been fighting for and what we've been calling for for many years. We are hopeful that it will expand the number of children in Ontario who have access to high-quality early learning and child care.

But as you know, that program is actually several years down the road, and in fact, child care can't wait. As of today, only about 12% of children in Ontario have access to a licensed early learning and child care space. Of course, the research is totally clear that early learning and child care helps children's development—not just poor children; it actually helps the development of children from all income groups.

Despite all of what we know and what Fraser Mustard has taught us and the other research projects that have gone on recently, Ontario still does quite a bad job of providing high-quality early learning and child care programs, so it will come as no surprise to the committee that we are calling for a greater investment in publicly funded child care. We do want universal child care for all children in Ontario; however, we also recognize that it's easy to work with targets, that it's easy to have a goal. We want to have something reasonable and quantifiable that we can work towards, so we are proposing that over the next five years, Ontario will have 25% of our children in a licensed and public early learning and child care program.

When full-day early learning is achieved, it'll help us move towards that goal, but we cannot rely solely on improvements for four- and five-year-olds in terms of what needs to be done for the comprehensive child care system. We must continue to build that system for all children ages zero to 12; 12 years old is, of course, when children are able to look after themselves.

However, there's another significant problem that does need to be addressed in the budget, beyond just space creation. It's also not news that the workers in child care are underpaid and undervalued. Child care is often seen as women's work, and child care workers often don't make enough to support their own families. We believe that can change and that must change.

I've invited Rebecca Truong from Ryerson University to join me so that she can address some of the difference that pay equity has made in the past and that we believe pay equity can make in the future in terms of the incomes of child care workers.

Ms. Rebecca Truong: Hi. My name is Rebecca Truong, and I have my early childhood education diploma from Centennial College. Currently, I am doing my degree in early childhood education at Ryerson University, and I am in my third year.

I made the choice to work with children because I really enjoy being a part of their learning and development process. I know I won't be able to make a

lot of money in this field, but I also know how important the work is. I am proud of the hard work that child care workers commit themselves to for the children and families in our communities. But why should our work be so underpaid and undervalued?

Even while I am in school, I can already see some of the implications and the lack of opportunities in the field and the lack of good jobs in early learning and child care. When I was doing my placement at a local non-profit child care centre back in college, most of the ECEs there made only \$9.50 an hour. With their early childhood education diplomas, some of my fellow graduates from college went on to jobs paying \$9, \$10 or \$11. In my Canadian politics class, I learned that individuals cannot obtain well-being and good opportunities in life with such wages. Hence, in any neighbourhood of Toronto and in any part of the province, it's hard to stay committed to a profession that pays so little.

I know the high rates of turnover, lack of adequate pay and low benefits in the field will impact the ability of many early childhood educators to work in the profession and for quality child care to occur in our communities.

As I am beginning my career, I'm optimistic for change. Pay equity has made a difference for early childhood educators. We are overwhelmingly women—in fact, 98%. Pay equity has improved the wages paid to women working in my field. But 20 years after pay equity has become the law, pay equity is not fully implemented for early childhood educators. In fact, starting in 2006, the provincial government stopped paying the pay equity adjustments that were negotiated as part of a settlement in the charter challenge case.

The Ontario government now says that individual child care centres must pay the cost for pay equity. Costs for child care in Ontario can be anywhere from \$40 to \$60 a day. Parents pay a tremendous amount. Child care is unaffordable for many parents, especially for child care workers who are parents. Early learning and child care is provincially funded. We need the government to resume pay equity adjustments that will benefit 100,000 women who are working to provide public services, including me.

I am asking you to recommit to pay equity. Pay equity has made a difference. Pay equity needs to apply to all women. We need to close the gap in wages now. Thank you.

Ms. Andrea Calver: Thanks, Rebecca.

The other mechanism for improving the wages of child care workers and early childhood educators is the province's wage enhancement grant, which is an established program that was created to lift child care workers out of poverty. It's a substantial amount of money. It's approximately \$9,000 for a child care worker. But it has been frozen for 10 years. That means entire child care programs don't qualify for the wage enhancement grant; staff working side by side may earn different amounts of money because a position was created without the wage enhancement grant. So we call on the government to support a universal wage

enhancement grant and to make sure that that funding specifically created for child care workers is available to lift child care workers out of poverty. That's in addition to maintaining the pay equity adjustments that have been so successful in the past and that we hope will continue to raise the wages in this sector.

With a significant infusion of public money, we also think it's time for Ontario to commit to licensing only in the not-for-profit sector, the municipal sector and the First Nations sector. We believe that existing commercial programs should be grandfathered but that our future investment should go to the benefit of children, not corporations.

Fundamentally, it is important to set those goals and those targets. We do believe in bringing the high-quality programs to all Ontario children, but if over the next five years we successfully achieved a 25% rate of children in a licensed early learning and child care program, that would be an incredible step forward and an incredible step in the right direction.

I want to thank you, and I want to welcome any questions that you might have.

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

Mr. Charles Sousa: Thank you very much for being here today. I really appreciate the work you do. My wife also had early childhood education training, back when we were young, and I come from a family of teachers. They always reiterate and remind us of how important it is to get it right at the get-go, when the kids are really young.

You spoke about Dr. Fraser Mustard and some of the work that I've seen him do with Beatrice House here in Toronto. I know a few years back Margaret McCain and Charlie Coffey wrote something to the previous government to try to have them initiate programs for early childhood education. It's so important.

So then we talk about some of the programs that are out there with national child care. There's a move afoot to give tax breaks and cash rebates as the alternative to support families with children. What are your impressions, and what is your recommendation to us?

Ms. Andrea Calver: Unfortunately, the loss of the national child care program was a huge loss. It was a huge cut in money that could have created a national, comprehensive, not-for-profit system. And \$100 has not created a single space in the entire country, so it has been a completely failed policy. I think it goes to show that investments in public programs need to come from fair levels of taxation. Those parents who have \$100 I'm sure would far rather—my sister is in Quebec. She has two kids in Quebec, with its \$7-a-day child care system; \$100 wouldn't help her have her two children in that high-quality program. I know, if given a choice, she would absolutely choose for them to keep the \$100 and to have the high-quality child care.

Mr. Charles Sousa: Thank you very much.

Ms. Leeanna Pendergast: Do we have—

The Chair (Mr. Pat Hoy): Yes, we have three minutes.

Ms. Leeanna Pendergast: Thank you for your presentation, both of you, and congratulations on your studies in early childhood education. That's very noble.

I did want to reiterate a couple of things. This government has created 22,000 more child care spaces, and that is significant, and we continue to keep our eye on that. As well, the full implementation of junior and senior kindergarten is quite significant, and I say that as an educator of over 20 years.

With a total social service investment of \$10.9 billion, the question I have for you at this point as a mother of young children and as an educator of over 20 years—there's a lot more to be done; there's a lot of hard work to do—what would you prioritize as the most immediate next steps?

Ms. Andrea Calver: There are over 11,000 children on the city of Toronto waiting list alone, over 10,000 in Ottawa. Every city in Ontario now has a waiting list for child care. Every parent would prioritize more spaces, because it's an obvious need. If we're serving 12%, what's happening to the other 88% of children? So every parent would tell you that they want access to a good space where they can feel comfortable leaving their children.

But really, within the field, there is this crisis in terms of working conditions. It is harder to keep people in the field. The turnover rates are substantial. If you talked to child care providers, they would tell you that their most significant challenge is the low rate of pay.

I actually don't think you can do one of those things without doing the other. You're right, the government has certainly flowed through the federal money and created a significant number of spaces. They did a 3% increase last year. So those are welcome small steps, but to fundamentally change this profession and make it something that people can feel proud of and dedicated to for their lifetimes, we do need to substantially increase the spaces and substantially lift the standards, because we simply can't keep people in the field at \$9, \$10, \$11 an hour. The good jobs are out there, but they're not the majority of the jobs in early learning and child care, and that's a real tragedy.

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

ONTARIO CONFEDERATION OF UNIVERSITY FACULTY ASSOCIATIONS

The Chair (Mr. Pat Hoy): I call on the Ontario Confederation of University Faculty Associations to come forward. Good afternoon. You have 10 minutes for your presentation, and there could be up to five minutes of questioning. I'd ask you to identify yourself for the purposes of our recording Hansard.

Mr. Brian Brown: Thank you, Mr. Chair. I'm Brian Brown, president of the Ontario Confederation of University Faculty Associations. On my right is Henry

Mandelbaum, the executive director of OCUFA, on my left is Mark Rosenfeld, associate director of OCUFA, and on my far left is Russell Janzen, one of our research analysts.

I'd like to begin by thanking the committee members for their hard work and for having us here today. We very much appreciate the opportunity to share our research on post-secondary education.

There are three numbers I would like you to take away from this presentation: 22 to 1; 5,500; and 260 million. Twenty-two to one represents the student-faculty ratio that is enjoyed by students in the rest of Canada on average, 5,500 is the number of new faculty that need to be hired to bring Ontario's student-faculty ratios up to the Canadian average, and 260 million is the amount of money that the government needs to invest in repairing crumbling infrastructure.

First, some background: The Ontario Confederation of University Faculty Associations represents more than 15,000 professors and academic librarians in Ontario universities. We have advocated since our inception for a post-secondary education system in Ontario that will advance not just the life prospects of individual Ontario students but also the social health and economic prosperity of the province as a whole.

Ontario's academic community has applauded and supported this government's commitment to higher learning. The government's \$6.2-billion investment in 2005 was the largest made to the post-secondary sector since the system expansion in the 1960s, and we congratulate the government for its vision. To a large extent, the government and the universities are victims of the success of these initiatives. More students are seeking access to university education, which has only increased the need for more full-time faculty and space to provide quality education. This is where those three numbers come into play.

First is the problem of student-faculty ratios that are extremely unbalanced. Students in Ontario must compete much harder than students in the rest of Canada and in the United States just for time with their professors. Faculty in Ontario teach more students on average than faculty in the rest of Canada. Worse still, Ontario faculty members each have 10 more students to teach than professors in American peer institutions.

Second is the problem of not enough faculty. Ontario's university classrooms are already bursting at the seams. Some class sizes are 500-plus and growing. The number of hours a graduate student has the undivided attention of a faculty member is 20% less than 10 years ago. Large class sizes at the undergraduate level and certainly at the senior and graduate levels affect quality in the classroom and diminish Ontario's ability to compete with universities in other jurisdictions.

Third is the problem of deferred maintenance of university buildings. Much-needed maintenance has been deferred for so long that real problems are occurring with university infrastructure. Simply to maintain buildings in

their current state requires \$260 million per year. To upgrade them to a standard of excellence comparable to the goals of Reaching Higher would be more than \$450 million per year. In 2004-05, students had 25% less classroom and lab space than they needed.

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Finally, we must acknowledge the inequities in the treatment of research. Research and development is critical to the economy, but Ontario's research and development is not globally competitive. Our investment in research and development as a proportion of the GDP is 14% below the G7 average. The problem is that business is chronically underfunding research and development while the universities are investing much more than their fair share. The government is trying to solve this problem with funding and research policies that emphasize the commercialization of university research, and applied university research ignores that investments in basic research have economic benefits. Government priorities have to move away from an emphasis on the commercialization of applied research to a balanced approach toward research.

Clearly, Ontario's poor student-faculty ratios, growing class sizes, crumbling infrastructure and inequitable research funding show that Ontario has reason for concern. However, it is a mistake to assume these problems are irreversible. Greater investment in post-secondary education will give students the quality education they deserve.

The government has a long, honourable and intelligent history of investing in public education. To realize the current government's vision of higher education as a system equal to any in the world, the government will have to enhance its investment in post-secondary education substantially. The recent federal funding makes truly reaching higher in post-secondary education more attainable and lessens the need for the province to shoulder the burden alone. The increase in the Canada social transfer to Ontario for post-secondary education represents over \$400 million this budget year. OCUFA is concerned that the funds promised for post-secondary education under the Canada-Ontario agreement were never actually given to the higher education sector because of uncertainty about federal commitments. The new Canada social transfer arrangements should eliminate this uncertainty. Therefore, the Ontario government must use this funding to augment, rather than replace, previously committed provincial funding for post-secondary education.

OCUFA is calling on the government to make capital and operating investments in the 2008 budget that would help to protect and improve the quality of post-secondary education in Ontario. Hiring 5,500 new faculty at a cost of \$440 million would bring Ontario's student-faculty ratios in line with the national average and help to reduce class sizes. Improving infrastructure with \$260 million would begin to provide the needed classroom and lab space on university campuses and fix the facilities at Ontario universities that are in a state of poor repair.

Supporting vital basic research would ensure Ontario remains innovative and forward-thinking.

OCUFA supports the government's most recent initiatives, as stated in the throne speech, of building a strong economy, eliminating poverty, protecting the environment, and improving our health care system. All these areas are important in their own right. However, all ultimately depend on a quality university system to provide the people and the research that sustain work in these important areas. The 2008 budget provides the government with an opportunity to achieve real results and long-term solutions to improving the quality of higher education in Ontario. Thank you.

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

Mr. John Yakabuski: Thank you very much. You used a figure of 22 to 1 as a ratio. That is the ratio in the rest of Canada?

Mr. Brian Brown: The rest of Canada is 18 to 1.

Mr. John Yakabuski: So what was the 22 to 1?

Mr. Brian Brown: We were trying to be a little bit—I'm sorry; I misquoted that.

Mr. John Yakabuski: That's what you're trying to get to.

Mr. Brian Brown: What we were looking for was 18 to 1. What I said was 22 to 1. The average in Canada is 26 to 27 to 1; sorry—in Ontario.

Mr. John Yakabuski: In Ontario, because we had some submitters earlier today who said 26 to 1 was the ratio.

Mr. Brian Brown: Yes, I'm sorry. I apologize.

Mr. John Yakabuski: I can certainly tell you, as a parent of a first-year university student, that access to faculty members is, to be polite, very limited and certainly something that you find a tremendous adjustment as you go from the high school environment to the university environment. Given that that's expected, but a little more starkly than perhaps they would have anticipated, I can certainly agree with you there.

Now, you talked about the monies that are expected to come from the federal government through the transfer payments. Is there a concern that this government would not ensure that every nickel that comes as a transfer from the federal government would be invested and committed to post-secondary in this budget?

Mr. Brian Brown: Well, we're hoping that it will be targeted for post-secondary education, but what we're looking for is also the commitment that the Reaching Higher plan in 2005 gave to the university sector and colleges that they would receive funding. We don't want to see the transfer payments become part of that already-committed money.

Mr. John Yakabuski: You also touched on the facilities and the need for investment in the facilities themselves in the province of Ontario.

Mr. Brian Brown: Correct.

Mr. John Yakabuski: I have to apologize for trying to follow this as well as you, because you wouldn't have time to do this whole presentation verbally. What kind of

a deficit do you see here in the province of Ontario with regard to needed investment in the university facilities from an infrastructure point of view?

Mr. Brian Brown: In terms of the Auditor General's report, he is stating \$1.6 billion is needed to fix that problem in Ontario's universities.

Mr. John Yakabuski: What would you like to see from the government on a year-to-year basis?

Mr. Brian Brown: We're asking for \$260 million per year—

Mr. John Yakabuski: This year.

Mr. Brian Brown:—to be put into that.

Mr. Tim Hudak: Is there time, Chair, for a quick question?

The Chair (Mr. Pat Hoy): Yes, there is.

Mr. Tim Hudak: I apologize; I missed this at the beginning. Thank you, gentlemen, for the presentation. You talk about the needed increase in funding, which amounts to almost \$1 billion a year when you add up the numbers that you've suggested. What's your stance on tuition decontrol? Are you satisfied with the current tuition arrangements? There's another source of potential revenue, and I just wondered if you had a position.

Mr. Henry Mandelbaum: We've been concerned for a number of years about the rapid increase in the cost of going to university. The government in recent years has made significant increases in student aid, and for that I think we can all be appreciative. Still, there are two aspects that cause a great problem. First of all, there's the whole impact of the sticker shock. There's not that much research in Canada, but there's some indication from American research that when students, especially from lower-income backgrounds, take a look at the cost of going to university, they don't take a look at it in terms of balancing the student aid that will be available to them and then future earnings. They just take a look at the immediate impact, the immediate cost of going to a university itself.

The other is that, especially as you go into some of the more specialized programs, there's an expectation that students will have significantly higher earnings and be able to make back the money, using law as an example. But the difficulty is twofold: One, I think there's some evidence that what it does, as it indicates, is it changes the nature of the students, the mix of students who will be going into those programs. At Western, when they looked at the medical school, they found that the average family income of students going into medical school increased as tuition increased. The other is that it assumes that people will have certain forms of practice. Coming back to law school, it assumes that if you go to U of T and pay \$22,000 a year in tuition, ultimately you'll go to Bay Street. But that isn't the only form of law practised. There are people who go into social development agencies; there are people who do community work. What you're doing is eliminating the ability of the people who choose those areas of endeavour to effectively pay back whatever loans they have to go through to go through law school.

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

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CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair (Mr. Pat Hoy): I call on the Canadian Federation of Independent Business 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 our Hansard.

Ms. Judith Andrew: Thank you, Mr. Chair. I'm Judith Andrew, vice-president for Ontario with the Canadian Federation of Independent Business. With me is CFIB's Ontario director, Satinder Chera.

You have kits—I believe they've been distributed—and we will be speaking from the slide deck that's in the kit. It's entitled Moving Forward with Ontario's Small and Medium-sized Businesses. Just in a nutshell, the presentation overview refers to some items that are in the kit in more detail.

The first point that we will be making is that Ontario's small business sector, which is typically an optimistic group and the backbone of the economy, is finding its confidence is continuing to drop in the latest quarterly business barometer result that we have. The second point that we want to make is that our budget priorities for small and medium-sized business in the spring budget are to fulfill Premier McGuinty's commitment on taxes, which is there in your notes, as well as his commitment on regulations. You'll find the details of those commitments in our Ontario election party leader checklist.

On taxes, of course, I want to acknowledge the recent tax relief that was delivered in the economic statement. It was certainly heartening, in light of business confidence dropping, that the Ontario government moved quickly in December to enlarge the small business threshold for corporate income tax as well as to deliver some more capital tax relief—partly on a retroactive basis, and early—as well as the sector initiatives that touch manufacturing, film and agribusiness. We're certainly looking forward in this upcoming budget to seeing the Premier's commitment further enhanced, and his notation that the government will continue to work with the CFIB and small business people across Ontario to take the next steps to keep this vital sector vibrant.

Turning now to the next page: As always, our presentation is based on the views of CFIB members, the small and medium-sized enterprises that are so pervasive across the economy. Those views we gather in extensive surveys and studies amongst our members. Our diverse membership of 42,000 businesses in Ontario is actually a good reflection of the Ontario economy, so you do get the straight goods from small and medium-sized business.

The next slide shows the business barometer index for December 2007, and it's also in the large chart that's just behind us. Our quarterly business barometer reflects how

well owners expect their businesses to perform over the next 12 months, so this is an individual assessment by each business owner of how their business is going to do over the next 12 months. Regrettably, Ontario business owners are less optimistic than their national counterparts, now for eight consecutive quarters.

Still, their hiring intentions are holding up reasonably well, with 28% of businesses expecting to hire; but also, Ontario has the largest proportion of small business people—12%—who expect to shed jobs in their companies. So there are clearly some economic challenges facing us.

If you look at the next slide, we were able to break out the business barometer index by sector. This was from December, but this foreshadows a lot of what you're reading in the business press these days. Small and medium-sized firms tend to be like canaries in the coal mine, and when you see a fairly large drop in confidence in key business sectors, it's certainly something worth looking at. In the sense that small and medium-sized businesses tend to be quite resilient and are typically quite optimistic, we're hopeful that those good qualities and their stamina will help carry us through in the event that our economy may end up faltering as the US challenges dribble across the border.

Yet, if you look at the next slide, there's indication that our members' concerns with taxation and regulation burden continue to increase. Certainly, we know that key concerns of small and medium-sized businesses increase when the business fortunes aren't as strong and accelerating as they were before. The number one problem for small and medium-sized business in the province that has increased slightly is total tax burden, and government regulation and paper burden is the number two problem, which explains why, in a nutshell, those are the areas of our key recommendations. Satinder?

Mr. Satinder Chera: On page 4, speaking to the top slide first: There are obviously some factors that are not within the government's control, whether it's the Canadian dollar or the US economy, but there are other factors, policy levers, that the government certainly has a lot of control over. These are the results of our members' feelings on each of the different policy items that the government has implemented over the past few years. Certainly, this year, with the current economic conditions, we would hope that the government would strive toward creating a climate to help businesses.

The bottom slide, "Tax Relief Priorities": Again, as Judith mentioned, credit to the government for increasing the threshold in the December economic statement—good, positive news. There's obviously more that can be done. We take the example of Manitoba, which currently is on track to eliminate its small business corporate tax rate by 2010. As well, the property tax—again, credit to the government.

In last year's budget, there was the implementation of the business education tax cuts. If you go to the next slide, our members would certainly like to see the fast-tracking of that tax cut plan. Currently, it's going to be

seven years in the making; we would hope that the government would accelerate that. In your kits, on the right-hand side, there's an action campaign which we currently have going on in northern Ontario to ask for the acceleration of this tax relief—hundreds of these have come in from members. We would hope that this would be a key item in the government's upcoming budget.

The next slide, at the bottom of page 5: Again, when it comes to member concerns, obviously spending and deficit and debt are at the top of the list. We would ask the government to consider these numbers, given the fact that total expenses have outstripped both inflation and population growth over the last several years.

On page 6, at the top, "Budget Surplus Allocation": Again, our members would like to see increased emphasis on tax relief and on debt repayment.

At the bottom of page 6, the slide "Provincial Regulatory Burden": Again, when we've asked our members, they've indicated that the burden has gone up. There have been some positive steps taken, whether it's the corporate tax harmonization agreement with the federal government, as well as a small business agency and the 24% reduction, which are positive notes—and the Premier's commitment to get rid of every regulation for every new one that's implemented. We think there is a way that we can certainly help the government to carry forward on that particular commitment.

If you go to page 7, at the top, we want you to bear in mind the huge costs that regulations have on small businesses. Currently, we estimate that it's costing small businesses in Ontario about \$13 billion a year to comply with all three levels of government. That is a taxing toll on their ability to run their operations. Certainly, when it comes to Family Day there has been a lot said, but we would simply point out that it will be SME families that will bear the brunt of the cost of the Family Day, paying for other families to have a day off.

The bottom of page 7, again, going back to the Premier's commitment for one to one: We think that a good way to move that commitment along is to actually track the number of regulations that the government has on its books and then to systematically, in going forward, try to publish those numbers so that everyone knows where the government is at or if they're on track to meet their commitments.

Ms. Judith Andrew: The next slide, at the top of page 8, is entitled "Opportunity to Reduce the PST Burden." In fact, that item is second only to workers' compensation in imposing burdensome provincial regulations for small and medium-sized businesses. It's no wonder, because we have two tax systems with different bases and definitions and auditors and administrations, so it's certainly a challenge fraught with difficulty for small and medium-sized businesses to cope with that, not to mention the fact that tax gets buried into business inputs as well. We know some deputants before this committee have talked about harmonizing the two taxes. Certainly if there is any move to move along in that direction, CFIB, as always, would play a constructive role in terms of

canvassing our members and giving solid input from our sector.

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To conclude with our recommendations, which are on the bottom of page 8, our number one recommendation, as Satinder mentioned, is to accelerate the business education tax cut, the \$540-million seven-year plan. The relief could certainly be used, in northern Ontario especially. I draw your attention to a document in the back right-hand side of your kit entitled "Breakthrough! Business Education Property Tax Rates." The breakouts are by municipality, so you can see for your own ridings how that relief would play out, especially if it was delivered faster.

The second recommendation we have is to follow the lead of Manitoba, which seems to be breaking new ground in a couple of areas. One is that Manitoba has set out a plan to move its small business corporate income tax rate right down to zero, so it's a really aggressive tax plan for small business corporations. As well, they have increased their employer health tax exemption threshold up to \$1.25 million, as compared to Ontario's \$400,000, which was set a decade ago.

The third recommendation is to implement the Premier's one-for-one regulatory reform commitment. It was in the course of the election that he further elaborated on this idea that every new regulation should be compensated for by taking one away so that we don't have a net increase. We think a good way to do that would be to have all ministries regularly publish their total regulatory counts so we can keep track of this. One of the challenges is we don't know exactly how much the overload is, but we know it's pretty big.

Our fourth recommendation is to adopt a tax fairness/rights code or charter for businesses as both taxpayers and tax collectors for government. There are a number of areas where businesses are in effect trapped by arcane rules that just don't make sense. There needs to be some work done in this area.

The fifth recommendation is to improve some retail sales tax items, including vendor compensation, which actually hasn't been improved since Premier Peterson was in office, which was a long time ago. It would need to be updated for inflation. As well, the tax exemption threshold for small meals could use an update.

Finally, the last recommendation refers very briefly to the provincial-municipal fiscal and service delivery review, which is happening behind closed doors between the two levels of government. Normally, we would say taxpayers should hold onto their wallets when governments get together behind closed doors. We're taking the optimistic view that there will be a reasonable redefinition of who does what at the provincial and municipal levels and that if there are found savings at the municipal level, at least some of those should be directed to property tax relief for businesses which are severely overloaded.

That concludes our presentation. We'd be delighted to attempt to answer your questions. Thank you.

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

Mr. Michael Prue: Thank you very much for a very detailed submission. I've got a whole bunch of questions, so I'm going to try to be fast at the questions; hopefully, the answers won't be too long, and we can get them all in.

The first one is from page 4, the impact of government policies. It's not surprising to me that the cost of electricity appears to be the main negative impact on small business. The one that I think will surprise those who don't want to raise the minimum wage is the one that has the least impact: the minimum wage increase. How is this?

Ms. Judith Andrew: First, on the cost of electricity, one of the things we're working on is the inherent subsidy within the regulated rate plan that actually makes businesses subsidize residential electricity consumers within that plan. That's something we think should be addressed. Also, we're concerned about the rollout of time-of-use metering, particularly for businesses that don't have the flexibility to shift their electricity load to an off-peak period. You simply can't make pizzas at 2 a.m. and serve them at dinnertime. You're going to be stuck. We don't think that element has been looked at enough before we go ahead with that.

In terms of the minimum wage increase, it's actually quite logical. Most of our members pay much more than minimum wage. In fact, they would say it wouldn't affect them directly, but indirectly, of course, it does affect the wage structure across the economy, so you see some of that coming out here. Certainly our members in other survey results have also felt that this isn't the best way to help the working poor; there are other policy instruments, and this particular one is a fairly blunt instrument, if that's what the intention of it was.

Mr. Michael Prue: The next chart down on page 4 is also intriguing to me. The number one issue, not surprisingly, is corporate income tax for small business. But the number 8 or 9 or 10, at the bottom of it, is corporate income tax for manufacturing, so they see themselves in a very different light, small business to big business.

Ms. Judith Andrew: Yes, I suppose some of that might reflect how many manufacturers we have in our membership. We actually have about 5,000 manufacturers in our Ontario membership. It's about 12%, so you're getting maybe that group saying that there needs to be some relief in that area, particularly given the challenges that manufacturers have been facing, what with the energy costs and so forth.

Mr. Michael Prue: But overall, it is the smallest concern.

Ms. Judith Andrew: Yes it is, but I expect that's the proportion of our members that are in the manufacturing business, and the others are thinking more directly of the ones that affect them day to day.

Mr. Michael Prue: On page 7, of course we have the Family Day holiday. This is a very contentious issue to small business. It's also contentious to the millions of

Ontarians who are federally regulated or who won't get the day because of contractual agreements. How much is this going to cost small business in terms of dollars? Have you calculated that out?

Ms. Judith Andrew: Well, we've got a range. The loss of a day's provincial product is in the order of \$2 billion; others have said around \$500 million—so somewhere in there. It's a big number, which is why we were disappointed to see it implemented without consultation, and as you mentioned, there are a lot of issues that have arisen in terms of how it will apply. Our argument, and we're making a pitch right now to the Ontario government, is that there needs to be some compensating other relief because small business families will see their income reduced. It's not a business income; truly, it's the family income. So they will not be treated like other families in the province, and to our minds, that isn't fair. There needs to be some compensating other relief for that group.

Mr. Michael Prue: If I have time—I think I've got almost no time left, so I'm just going to skip right to the back, to: "Following the lead of Manitoba, set out a plan to move the small business corporate income tax rate to zero."

Any idea how much that would save small business if that was instituted in Ontario, and conversely, how much that would cost the government of Ontario in terms of tax revenue?

Ms. Judith Andrew: We don't have any number on that as yet, but we'll be trying to get those figures because that would be important to continue to make the case for that.

Mr. Michael Prue: Okay, because that's our neighbour, and we try to stay in step whenever possible.

Ms. Judith Andrew: Manitoba has a three-year phased approach, and they're expecting to hit zero by 2010. I expect that they've been looking at some of the examples from other parts of the world where pretty substantial corporate tax moves were made and really ended up revitalizing those countries. Ireland is a prime example of that, of course.

The Chair (Mr. Pat Hoy): Thank you, and if you provide any additional information, if you would give it to the clerk so that the whole committee can share in that.

Ms. Judith Andrew: Absolutely. I'd be happy to.

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

CANADIAN UNION OF PUBLIC EMPLOYEES, ONTARIO

The Chair (Mr. Pat Hoy): Now I call on the Canadian Union of Public Employees, Ontario, to come forward, please.

Good afternoon. 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. Sid Ryan: Sure, thank you. I'm Sid Ryan, president of CUPE Ontario, and with me is Shelly Gordon, a

researcher, and Valerie Dugale is there somewhere—communications. Thank you for the opportunity to make a presentation here today. I just wanted to say that we focused our presentation today primarily on the government's strategy to reduce poverty in Ontario, and we've got what we believe to be some suggestions that the government might be interested in looking at. We believe that an effective anti-poverty strategy should include at least indicators for measuring poverty, measurable targets with timelines, plans by each and every ministry to offset poverty, and, of course, an evaluation and accountability mechanism at the end.

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Before we begin, we'd like to say that CUPE Ontario supports a demand put forward by the Network for Poverty Reduction of a 25% reduction in poverty over five years and a 50% reduction over a 10-year period.

What we'd like to do is break our presentation, if you will, into three major components. We'd like to take a look at user fees and activity fees for low-income people in the province, those living below the LICO level, I guess you could say. We're going to take a look at wage strategies that we believe lead to a low-wage economy and a low-wage sector with some of the policies that your government is working on. Also, we'd like to propose working with the public sector with some initiatives that we've already, as a union, undertaken with previous governments, or other governments, I should say, in places like Saskatchewan in order to be able to bring the aboriginal community in greater numbers into the public sector.

So we can take a look first off at the user fees for LICO people. We'd like to take a look at some small initiatives that we can take and some larger initiatives that would need to be worked on. For example, we're looking at the elimination of user fees for a family living in poverty, where we believe they can't afford even small recreation fees for their children. So we would like to take a look at the whole question of—maybe the Tories over there would like to listen in. Don't take this out of my time, please. Typical Tories: They never listen.

For those living in poverty, we'd like to take a look at transit fares, for example; user fees for children using libraries; user fees in the school system for activity programs; parking lot fees. For example, when somebody presents themselves at a hospital, it is practically impossible to get into any hospital today without having to pay a fairly substantial user fee in the parking lot. In the UK, for example, when low-income people present themselves to a hospital, there is actually a kiosk where they can go and be reimbursed immediately for the cost of user fees that would be imposed upon people using the hospital system.

We'd like to take a look at delisted medical services—eye exams and physiotherapy, for instance—such that, again, people living below the low-income cut-off would not be exempted from those programs.

There are issues that will require a much larger policy shift; for example, around daycare and after-school

programs for kids. Again, living in poverty must be free of charge. Taking a look at post-secondary tuition and education, you know, the country that I'm from, Ireland, brought in free university education about 12 years ago, part of the strategy, of course, which created the "Celtic tiger" and makes them now one of the richest nations in the world on a per capita basis. The basis of that, the genesis, if you will, was a free university education system. If you can't do it for everybody in the province, at least those who are coming from low-income families should have an opportunity to send their kids to university without having to pay the exorbitant fees that are imposed upon them to do so.

Smart meters: A few moments ago, I heard you talking about electricity costs. Smart meters and time-of-use electricity pricing will result in punishing increases in electricity bills for low-income renters who are stuck with the electrical heating systems installed by most landlords. Again, we think this is something that your government could do: take a look at exempting those folks from those kinds of policies.

We'd like in particular to take a look at what we believe is a low-wage strategy of this government. I say that because it's happening in a couple of ways: the introduction of the market, for example, into the health care system. The great example of that would be the home care system, where you've got this competitive bidding model, actually introduced by the Conservatives and carried on by your government, where you've got nurses, for example, who were PSWs earning between \$15 and \$20 per hour under the old system, with good wages and good benefits, and now find themselves practically working for \$8, \$9, \$10 or \$11 an hour in this competitive bidding, dog-eat-dog type of system. Your Minister Smitherman just put a hold on the competitive bidding model in the Hamilton area because the community is outraged at what has taken place. That's a low-wage strategy, lowering people to the lowest common denominator. We don't believe that's good for people who are living in poverty, so we'd like you to take a look at making sure that not only do we kill that system in the home care sector but that we don't expand it into institutional care in this province. We know that under LHINs, the local health integration networks, they are looking at exactly the same model of competitive bidding, where you take services out of a hospital, out of a long-term-care facility, and move them off into the community. Again, we know these are non-unionized jobs, low-paying jobs with no benefits.

We would argue, if you're really serious about poverty reduction, the best way of ensuring the greatest hedge against poverty is a unionized job. To that end, we would say, let's make it easier in this province to join a union, not more difficult. The Tories brought in a policy which worked against the interests of workers pooling their resources to enhance and increase their wages, their benefits and their pension plans by eliminating the card certification process. We would say to your government,

you did it for construction workers; you restored that process. We'd like you to do it for the rest of the labour movement. We argue that if it's good enough to join the Conservative party or the Liberal Party by signing a card, surely it's good enough to be able to join a union by also signing a card. That's the system that should be in place to enable workers to better their standards of living.

From a pay equity standpoint, we still have women on average earning 29% less than men in this province. Pay equity enforcement must be revitalized to deliver pay justice to the current generation of working women. We know that there's at least \$369 million that's owing to about 100,000 women delivering public services in predominantly female workplaces between the years 2006 and 2007. That's a lot of money that needs to be put back into the pockets of women working in low-paying jobs in this province.

So we would like you to end what we believe are low-wage government strategies. In terms of what we would propose, CUPE has a policy that we're trying to work on within our union: to say that everybody who is in the public sector, certainly everybody who is a member of CUPE, will be earning at least \$15 an hour, with a pension plan, within the next five years. We think that's a goal that the government needs to be taking a look at, to say that everybody who's in a transfer-payment agency or in a directly funded public service—whether it be health, education or municipal services—ought to be earning at least \$15 an hour, and they ought to have a pension plan. Again, that would be one of the greatest hedges you could have against poverty in this province.

The third item I want to talk about, very briefly: CUPE has engaged in a mentoring program with the Saskatchewan government and with the health care organizations in Saskatchewan, where we're trying to increase the participation of the aboriginal community in the public sector. It's designed to go out and provide a mentoring program. We will find people in the aboriginal community living in the cities and rural areas and actually bring them into our workplaces in a mentoring program, such that when a vacancy occurs, we will find more aboriginal people at the end of the process (1) being qualified, and (2) increasing the participation levels.

Several of our CUPE locals in the Toronto regions have worked with their employer—the city of Toronto being one of them—where they actually have a program for kids at risk. The suggestion here is that we move this program—we could do it in Ontario as well for aboriginals, but we could also do it for kids at risk. Several of our locals have worked with their employer to set aside spaces. The city of Toronto has 18 spots set aside over the next 12 months for kids at risk. The jobs are mentoring jobs; again, you bring them in, give them an opportunity to work at some of the trades and occupations within the public sector. You pay them \$12 an hour, which is a fair bit more than the \$8-an-hour minimum wage or whatever it is, \$8.95; and we have them set up, basically, for a full-time, good-paying job when vacancies occur in the public sector.

I've had some discussions with Ontario Hydro. They're interested in this kind of a program. Some of our folks have spoken to the Ontario Hospital Association and they're interested in this. We have a similar program with the public school boards in Toronto. We could take this into basically every public community across Ontario, every public sector, every employer across Ontario, and in the process we could end up hiring thousands of kids at risk into good-paying, public sector jobs, which also, of course, takes them out of trouble, right?

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

Mr. Sid Ryan: Okay. I just wanted to talk about investing in public housing. I'm not talking here about P3s. We're actually talking about co-op housing. Our pension plans are worth billions of dollars in this province and in this country. We would love to be able to work with and have had some discussions with the pension plans, where we can set aside a sum of money that could be used for investment in co-op type housing. Yes, the return is not great, but the investment in our communities and social infrastructure is enormous. We could actually help to eliminate the shortage of affordable housing in this province by utilizing those initiatives, working with trade unions, working with our pension plans and working with government to be able to finally put behind us the crisis we've got in affordable social housing in Ontario.

I apologize for taking so long. I meant to leave you some time for questions. There are some options that we've put before you here today.

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

Mr. Wayne Arthurs: Sid, welcome; it's good to see you, whether it's here in your capacity as the president or with a different hat on at different points in time. I need a big shopping cart, because in the 10 minutes you had, you really did fill it up with identifying lots of opportunities and lots of needs, as you see them.

I just need to reflect very quickly on some of the things we've been trying to do, particularly on the poverty front, I think in a more generalized way, and the specifics now that Deb Matthews is taking on that particular role. I'm sure that you and others are going to want to influence that process to the greatest extent possible. We have made some gains on the minimum wage front which, hopefully, with the additional changes to \$10.25 over the three years, will help to lift the working poor at least to a point where they're going to have a sustainable living capacity. Some additional regulated daycare spaces—the Ontario child benefit, which is going to benefit some 1.3 million kids, both those who find themselves in families on social assistance and those who are on the lower end of the wage scale.

So we've started down that road, in addition to what was in the campaign. Dental care, I think, is about \$45 million—I'm not 100% sure, off the top of my head; it's

in that range—for low-income families and some support in that way.

The one thing I agree on almost wholeheartedly—I'm almost afraid to say it—is that I need a second mortgage every time I go to the hospitals and park my car. It's almost as much as going to the financial district, or coming close.

Tell me, in the couple of minutes that you have left, a little more, if you would, about the generalized proposals for pension plan contribution—whether it be OMERS, if that's one of the ones you're thinking of, given a large number of your membership; I don't know, percentage-wise. I assume you're in the municipal sector and contribute to the OMERS plan—to participate in housing strategies through putting money into that system.

Then, you've mentioned co-op as one of the formats, or maybe it's a specific one that you're thinking of. A little more on that specific would be helpful.

Mr. Sid Ryan: Thanks, Wayne. I do appreciate the fact that your government is working on a strategy around poverty, but I do think there are lots of things that we suggested here today that we could be doing almost immediately, without having to wait for legislative changes and so on.

With respect to the pension plans, I've had some discussions with the CEO of OMERS. Not to put any words in his mouth—because he didn't make any commitments—I floated the possibility of utilizing sums of money from pension plans which could be used to leverage monies. It would not be beyond the realms of possibility where big pension plans with \$48 billion or \$50 billion worth of assets can easily find a couple of hundred million dollars; so if you've got four or five pension plans doing that, you could easily leverage several billion dollars to put a huge hole in the social housing problems that we've got in this city and across this province.

We would not want, obviously, to go into a P3 initiative, because we don't think these P3s actually work; we find them to be a rip-off of the taxpayers. But if you were to get in and say that a certain amount of the portfolio would be dedicated—I guess that you'd get relatively small returns on it, but stable returns over a 20 or 30-year period; but there would be a social element of investing pension plan monies into social housing. We've done it in the past. It's not as if it would be the first time we've done it. Ten or 15 years ago, I know CUPE participated in many, many developments around the city where we would co-sponsor co-op housing. There are lots of examples in the city of Toronto where this has actually happened. We stopped doing this 10, 15 years ago when the federal government got out of the business. Then Mike Harris jumped on that bandwagon and said, "If it's good enough for the Liberals at the federal level, then it's good enough for Ontario." Consequently, we've not built any since.

So the pension plans, I think, are an opportunity for us in each of the unions, whether it be the schoolteachers or

ourselves or others. We obviously have some degree of influence with our pension plans. I think it's a wonderful opportunity if we could work with government in approaching these pension plans to say, "Okay, let's put something forward that's concrete and once and for all wrestle this shortage of affordable housing to the ground in this province."

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

ONTARIO HOSPITAL ASSOCIATION

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

Mr. Mark Rochon: Good afternoon. My name is Mark Rochon and I am the chair of the board of directors of the Ontario Hospital Association. I am also the president and chief executive officer of the Toronto Rehabilitation Institute. With me today is the OHA's new president and CEO, Tom Closson. Tom joined the OHA on January 14 and brings a wealth of experience and expertise to his new responsibilities.

This is the first time that the OHA has appeared before this committee without the Ministry of Health and Long-Term Care being the direct funder of Ontario's hospitals. Based on the budget provided to them by the Ontario government, local health integration networks now allocate financial resources to health care providers. This change is welcome, but to succeed in this new environment, strong leadership and strategic investment from the Ontario government must continue, to ensure that Ontario's health care system is better able to meet growing patient care needs.

Hospitals are well aware of the responsibility that comes with managing the resources entrusted to them by the people of Ontario. Within our sector, this responsibility has established a continued focus on efficiency. Hospitals in Ontario are constantly comparing their actual costs to benchmark efficiency levels in an effort to be as efficient as possible in serving patients. This relentless focus on efficiency is one reason why, as reported by the Canadian Institute for Health Information, Ontario hospitals can offer such comprehensive, high-quality services despite being funded less per capita than hospitals in almost every other province in Canada.

Despite the very significant resources invested in Ontario hospitals, it would take an additional \$1.2 billion in annual operating funding to move Ontario's hospitals to the per capita national expenditure level. In the time ahead, hospitals will continue to concentrate on being more efficient and doing even better with the scarce resources entrusted to them. However, given current funding levels, many hospitals will continue to face major challenges in trying to meet the needs of a growing population and an increasing complexity of patient care.

Mr. Tom Closson: Over the past several years, access to some services in hospitals has improved. Thanks to the joint efforts of hospitals, doctors and government, significant progress is being made on Ontario's wait times strategy, but as many patients are all too aware, there is much more still to do. Today, the single greatest risk to access lies in the huge number of patients waiting in hospitals for care in another part of the health care system. Identified as needing an alternative level of care, these patients have typically finished receiving the care they needed in a hospital, but now, they are waiting to be transferred to another setting, like a nursing home, rehabilitation, home care or assisted living, where they can receive care that is actually more appropriate to their needs.

Over the past 18 months, the situation has grown increasingly serious. The reason for this problem is clear: There is neither an adequate number nor appropriate mix of service capacity in other parts of Ontario's health care system.

Ontario's acute, rehabilitation and complex continuing care hospitals are working intensely to deal with this situation, both internally and with their local health system partners, but despite these efforts, in December of last year, 2,800, or 18%, of all acute care beds were occupied by alternative-level-of-care patients. In hospital after hospital, this situation is creating serious bottlenecks.

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With so many people waiting, patients who actually need to be admitted through the emergency department have to wait overnight or longer, sometimes for days at a time. Our most recent information suggests that approximately 680 patients at any given time are waiting in the emergency department in an Ontario hospital for a bed to become available on an in-patient unit. The bottom line is that significant numbers of patients are not getting the care they need in the appropriate setting, and scarce hospital resources are being directed toward caring for people who actually need their care in another, more cost-effective setting.

Given these increasing pressures, the Ontario Hospital Association is very supportive of the government's aging-at-home strategy. This four-year, \$700-million investment in community services has great potential to ease the pressure on hospitals by expanding capacity in other parts of the system. It will be important to measure the impact of this investment and ensure that it achieves the objectives over the longer term. However, in the short term, the Ontario Hospital Association believes that immediate solutions, such as expanding the number of assisted living spaces and increasing hours of home support, are needed quickly.

We intend to work with the Ministry of Health and Long-Term Care and the local health integration networks to implement these short-term capacity solutions, so that the system is better able to meet the needs of alternative-level-of-care patients. Into the future, as our population grows and ages, we must ensure that each LHIN has the right mix and volume of service capacities

available, so that patients get the care they need, when they need it, in the most appropriate setting.

As you may know, each hospital is now engaged in negotiations with their local health integration network to establish a hospital service accountability agreement for 2008-09 and 2009-10. This is an opportunity to further strengthen accountability at the local community level, but in approaching these negotiations, many hospitals also face serious budget challenges. The multi-year funding allocations provided to hospitals for this time frame do not keep up with the cost of providing patient care. Pressure is especially intense in areas of the province experiencing high population growth. The large number of alternative-level-of-care patients is also a significant factor. This means that during negotiations, some hospitals will have to consider service reductions in order to achieve a balanced budget.

Needless to say, with current capacity challenges, service reductions and the layoff of health care staff are the very last steps that any hospital wishes to take. Over the next several months, it will be very important to ensure that for hospitals facing budgetary challenges, decisions regarding future access to service are made very carefully, with a focus on the health needs of the local community.

The Ontario Hospital Association believes that patients have the right to expect safe care and the right to know how effectively their hospitals deliver it. That's why in the past we have called for the creation of an independent patient safety institute and welcomed the public release of hospital standardized mortality ratios, as well as other public reporting requirements.

It should be recognized that improving and reporting on patient safety is a resource-intensive undertaking. In an era of scarce resources, we believe that new mandatory patient safety initiatives should go hand in hand with additional investments earmarked to support their implementation. Hospitals can and are doing much to improve patient safety with the resources they have, and with additional investment and supports, they can do even better.

Mr. Mark Rochon: During the last general election campaign, the OHA was very pleased to see the government make e-health a central part of the health care agenda. We believe that it is essential for the government to move ahead immediately in implementing its e-health commitments, as Ontario is behind most provinces in this area. This means we aren't taking full advantage of the quality and efficiency improvements that IT can provide; e-health is central to responding to the alternative-level-of-care challenge. With the support of information technology, the health system will be better able to move patients more quickly, along with their full health record, into home care or the care of their family physician.

The OHA has just released an important policy document entitled *Incentives for Transformation: e-Health as a Strategic System Priority*. This paper recommends seven specific policy solutions that are intended to dramatically advance health system transformation. A

copy is included as a DVD in your information package, and we strongly recommend its consideration by this committee and the government.

Ontario's hospitals know that over the next several years, the emphasis on health system integration will only accelerate. We support this reform and know that hospitals cannot operate as islands. By working together, we can improve access to health care services for the people of Ontario. As we noted at the beginning, by continuing to play a leadership role and by making strategic investments, the government of Ontario can help ensure the success of this health system transformation.

Thank you for the opportunity to be here today. We are delighted to answer any questions you may have.

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

Mr. Toby Barrett: Thank you for presenting on behalf of the Ontario Hospital Association. I know you commenced your presentation talking about your effort to be as efficient as possible in serving patients and how important this is, and I quote, "despite being funded less per capita than hospitals in almost every other province in Canada."

Last Monday, our committee had a presentation from an economist, Hugh Mackenzie, who indicated that this government is not strapped for cash. Its fiscal capacity is greater than it is prepared to admit. In fact, he went on to say that taking reserves and operating contingency funds out of the projection for 2007-08 points to a surplus for the year of more than \$1.3 billion. That was based on the government's own projections.

What projections does the hospital sector have? I'm assuming there's a need for increased funding from government in the coming year. You mentioned there's a different financial arrangement now.

Mr. Tom Closson: The increase for hospitals for this year, or the base adjustment, is 2.4%, and for next year it's 2.1%; we have multi-year funding now, so we have certainty around what our base adjustments are going to be. Those numbers are rather low compared to the inflationary pressure on hospitals and the historical situation. As was mentioned, we have underlying issues which relate to the funding level in relation to other provinces on a per capita basis. So we know we are quite efficient: We don't admit as many people, we do a lot on a day surgery basis, we don't keep people in the hospital as long as in other provinces, and we tend to staff at levels that are more efficient to be able to try and live within the dollars we have.

In terms of where we would put the additional money if we had it, we would certainly put it into electronic health records, we would put it into patient safety, we would put money into dealing with growth, because, as you know, there is real growth in populations in certain parts of the province, and also in dealing with the complexity of patient care. The kind of people we care for in our hospitals are, on average, more complex than in other provinces. The reason for that is that we don't

admit as many people per capita and we keep them in for shorter lengths of time, so, by definition, the ones who are in there are quite ill and need a lot of attention.

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: Gentlemen, thanks for the presentation. I just wanted to explore a little bit the alternative-level-of-care issue that you brought up and the severity of the situation. You say that over the past 18 months, the situation has grown increasingly serious. Your measurement in December 2007 said 2,800, or 18%, of all acute care beds are occupied by alternative-level-of-care patients. My understanding is that there is a significant range, too, beyond the 18% average. Areas like mine, Hamilton-Niagara, and northern Ontario, I think, have a much worse situation. Would you care to elaborate on that?

Mr. Tom Closson: Yes, the numbers vary a lot by local health integration network, to as high as 28% in some parts of the province. It is more of a pressure in some areas than it is in others.

Mr. Tim Hudak: Now, it's been 18 months gathering in significance, so you would have signalled that this was an emerging crisis in the hospital system. Are we seeing the level of, for example, long-term-care or rehab beds being built that would alleviate this in the next few years?

Mr. Tom Closson: Alternative-level-of-care issues exist throughout the health care systems in all the provinces in this country and have existed in Ontario for quite a period of time. What we've been noticing over the last couple of years is an increase. If you think about it as a queue, lining up for something, we've got patients coming in faster than they're going out, so it's not surprising that it's building up and up.

In most parts of the province, the issue is long-term care. In Toronto, rehabilitation is a big issue, but in most parts of the province, it's long-term care. This is why we've said that the aging-at-home strategy, the \$700 million over four years, is welcome. The challenge is that it's going to take a while for that to unfold, so what we really need to do in the next little while—immediately—is come up with some short-term strategies to be able to move these patients out of the hospitals. This is not good for these patients. They're not receiving acute care, and yet they are sitting in hospitals. They need to be in other settings like assisted living or like at home, receiving home care, in a rehab hospital or in a nursing home.

Mr. Tim Hudak: We've seen a lot of—

The Chair (Mr. Pat Hoy): We're out of time.

Mr. Tim Hudak: Okay. Thank you.

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

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COUNCIL OF ONTARIO CONSTRUCTION ASSOCIATIONS

The Chair (Mr. Pat Hoy): Now I call on the Council of Ontario Construction Associations to come forward, please. Good afternoon.

Mr. David Frame: Good afternoon.

The Chair (Mr. Pat Hoy): You have 10 minutes for your presentation. There could be five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. David Frame: I'm David Frame, president of the council. With me is David Zurawel, our vice-president for policy and government relations. We've got a short verbal presentation and then hopefully we can take some Q and A.

COCA represents the non-residential construction industry and our members play a huge role in Ontario's economy. Construction is the third-largest sector in the province, with more than 423,000 workers, and collectively we represent more than 5% of Ontario's gross national product. Our industry also provides more than one third of the revenue for the Workplace Safety and Insurance Board, WSIB, paying more than \$731 million in annual premiums.

As I said, our industry is very important to Ontario, and Ontario is very important to our industry. Our 11,800 members applaud the government's leadership in recognizing the value of investment in infrastructure. We're delighted about the creation of the Ministry of Public Infrastructure Renewal under the Honourable David Caplan, and we are even more pleased that there is now a plan and projected funding for sustained infrastructure renewal and development. A healthy construction industry supports a healthy provincial economy.

With dark days looming for the economy of the United States and possibly concurrent problems in Canada, it's important for the Ontario government to maintain its commitment to capital spending. As was clear during the recession in the 1990s, counter-cyclical investment in infrastructure is a very important tool in stabilizing the provincial economy.

COCA encourages the government to recommit to its \$30-billion infrastructure investment outlined in the budget of 2005. One of the ways to increase investment would be to mandate full cost recovery for water plants across the province, with a requirement for municipalities to dedicate the funds thus collected to the repair, renewal and creation of water and waste water resources.

In recent years, however, we have seen shortages of workers in various trades, in various locations and for varying lengths of time. A number of agencies, however, are predicting a more widespread shortage of skilled workers in Ontario in the very near future. To give you an accurate perspective of the pressure this shortfall will place on the construction industry, 50,000 workers will be needed to replace the vanguard of retirees from the baby boomer generation, and an additional 35,000 skilled trades people will be needed to meet construction demand just by 2015. That's 85,000 persons in total.

COCA members are very pleased with the creation of Employment Ontario to provide improved referral services, multilingual apprenticeship information, expanded hotline capacities and a user-friendly Web service. However, we as a province must do more.

Demographic reports demonstrate that from post-2015 our pool of accessible talent will become much smaller and industries such as construction will have a much more difficult time recruiting the skilled people we need. At the same time, a significant pool of workers who could benefit from retraining in construction has been created by the unfortunate job losses in manufacturing over the past few years. We believe there is a real opportunity for the Ontario government to consult with construction employers, owners, workers, design professionals, educators and economists in an effort to proactively address this looming skilled shortage.

COCA is a committed and active member of Ontario's Workforce Shortage Coalition, due to appear before you later this afternoon. This 20-member-strong coalition of industry associations representing a broad cross-section of Ontario's economy is committed to working with the government to develop and implement innovative and effective solutions to meet head-on this significant challenge and to protect Ontario's economic prosperity and vitality. COCA supports Ontario's Workforce Shortage Coalition in its call for the establishment of a Premier's skills council to focus the government's and industry's efforts to address this looming crisis.

There's an infrastructure deficit of approximately \$18 billion relative to the sewer and water main services across the province. A great many municipal services are very old and inefficient; they are susceptible to leakage and, as identified by the Walkerton report, other health hazards. In fact, water system leakage rates of 20% are not uncommon; some may go as high as 40% in some parts of the province. The value of this leakage is at a cost estimated at \$160 million to municipalities annually—a significant amount by any measure.

Ontario must take additional proactive steps to stop the spread of this infrastructure decline and to preserve and protect this valuable commodity. These goals can only be achieved by ensuring that our water systems are on a sound financial footing. It is our recommendation to the committee that the province require municipalities implement full-cost pricing and create directed reserves from their water revenues. Once a system of sustainable funding is in place, then the backlog of repairs and replacements can be addressed. We recognize that many municipalities do not have the resources to make required improvements. In these instances, we support the government's support through programs such as the Ontario Small Waterworks Assistance Program for smaller municipalities.

We fully support the proposal by the Ontario Sewer and Watermain Construction Association to complete the regulations for the Sustainable Water and Sewer Systems Act, 2002, and implement full-cost pricing.

We realize that the Workplace Safety and Insurance Board—WSIB—is not funded by the government of Ontario and may not seem to be relevant to this committee. Some of the problems encountered by construction companies at WSIB, however, have financial

ramifications for government, the consuming public, workers' health and safety, and law-abiding contractors.

As said before, construction is different from any other sector of the economy, and this fact is glaringly obvious at WSIB. First, it is very difficult to determine who is actually working in construction; it of course changes all the time with the nature of the projects. It's also difficult to ascertain an accurate number of workers for whom WSIB premiums should be remitted. Second, all workers injured on a construction site are entitled to full benefits at WSIB, whether premiums have been paid on their behalf or not.

The result of these facts is that there are WSIB premiums being paid on behalf of only approximately 61% of the 423,000 people who work in construction, according to Statistics Canada. Every year it is found that numerous lost-time incidents occur in unregistered companies at unknown addresses. Finally, the problems posed by unregistered contractors are obvious in the bidding process that is central to the way the industry operates. WSIB rates for construction are higher than those in most other industries. It is obvious, therefore, that companies not paying WSIB premiums have an immediate and perhaps significant advantage: Competitors who do not pay into WSIB do not include it in their bids.

Apart from the liability problems for purchasers, contractors who pay into WSIB may end up paying all costs for an injured worker if his employer cannot be found. The unregistered contractor could therefore realize a double benefit at the expense of his neighbour. In the long run, legitimate contractors will not continue to pay for non-compliant competition.

We are recommending to this committee that you encourage the introduction of legislation to require the payment of WSIB premiums for all workers regularly exposed to hazard on a construction site. Action on this front would help regularize the financial aspects of the construction industry for government, the public, workers and contractors. We made this recommendation to the previous Minister of Labour, the Honourable Steve Peters, and the proposal has strong support from our industry.

Finally, we believe that a further change in the operation of WSIB would greatly assist government and the industry. As distinct from the insurance industry, WSIB does not base its coverage on individuals but on bulk payroll as declared by the registering company. It would take too much time here to talk about all the problems that arise from this, but basing coverage on named individuals would help government, the WSIB, workers, educators and many others. We therefore recommend the introduction of legislation to allow WSIB to base its coverage on named workers instead of bulk payroll.

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We'd welcome questions and dialogue. I thank you for affording us the opportunity to meet with you this

afternoon. Please contact us any time for more information about the construction industry in Ontario.

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

Mr. Michael Prue: I'm going to ask you questions, in part, on your role with COCA, because it will not be my opportunity to ask them questions later. That will fall to the Conservatives.

In terms of the need for construction workers in the future in Ontario, is it still the case that the majority of these workers are coming from other lands? A lot of them used to come here from Portugal and some other places and work in construction. Is that still the case?

Mr. David Frame: I don't have statistics with me. Europe is a large source of workers, absolutely; the first, of course, is Canada itself. Traditionally, many workers have come from the east coast. Some, with the boom in Alberta and BC, are now bypassing Ontario and going straight out west. I don't have specific numbers; we could get them for you, though.

Mr. Michael Prue: The reason I ask that is, the federal government has a grid by which they choose new immigrants, and it's difficult for a construction worker or someone with the skills as a bricklayer or a carpenter to make the number of points. Would you advocate that the province of Ontario do what Quebec does and have its own grid so we could choose people who would be beneficial to our economy, as opposed to those chosen for us by Canada?

Mr. David Frame: We haven't gotten into that. Immigration is generally recognized as a federal area. I believe the province of Quebec has different powers than Ontario.

Mr. Michael Prue: No, they're the exact same.

Mr. David Frame: We'd certainly welcome it. Our federal counterpart, the Canadian Construction Association, is strongly recommending that the federal government make that move.

Mr. Michael Prue: I suggest you look at section 93 of the British North America Act to see where Quebec got its authority and where Ontario has it too, because I think that's really what needs to be done.

The second question has to do with WSIB premiums for all workers. This is quite disconcerting, and I've known this for a while: that workers are not covered. You state that you raised this issue with the previous Minister of Labour, the Honourable Steve Peters, but it doesn't say what happened to it. It didn't happen; was it ignored, was it put off, did the election intervene? What happened, that nothing resulted?

Mr. David Frame: About 18 months ago, Mr. Peters did a fairly full consultation with the construction industry. We met with him, and his basic conclusion was that he didn't find consensus in the industry to move forward. It's our view that it's not a consensus issue. There's obviously a significant part of the industry that benefits from not having to pay into the system, so you're not going to get consensus on this issue. It's a leadership issue, but it's an important issue. It affects health and

safety; it affects the competitiveness of the industry; it affects the costs. It's a big issue for many of us.

Mr. Michael Prue: Have you raised this issue with the new minister?

Mr. David Frame: We have.

Mr. Michael Prue: What has been his response?

Mr. David Frame: I understand that he's looking into it.

Mr. Michael Prue: Again? Okay.

It seems to me to make eminent sense that all contractors pay to insure all workers. Are workers insured more in union member businesses than those where they're not union members?

Mr. David Frame: The major problem is with independent operators; it's not so much union or non-union. Independent operators are optional coverage. Overwhelmingly, independent operators opt out of the system; often, business arrangements are put forward that encourage them to opt out of the system. From what we can see, that's the biggest area right there.

Mr. Michael Prue: So if we can get them to pay, everything will work better.

Mr. David Frame: Require a payment for independent operators and put a mechanism in place to collect it properly.

Mr. Michael Prue: That's what the government needs to do.

Mr. David Frame: Yes.

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

ONTARIO COALITION FOR SOCIAL JUSTICE

The Chair (Mr. Pat Hoy): Now I call on the Ontario Coalition for Social Justice.

Good afternoon. You have 10 minutes available for your presentation. There could be five minutes of questioning. I would just ask you to identify yourself for our Hansard recording.

Mr. John Argue: Certainly. Thank you, Mr. Chair. My name is John Argue. I'm the coordinator for the Ontario Coalition for Social Justice. The Ontario Coalition for Social Justice has often come before this committee—annually, in fact—and sees poverty as a crucial issue to achieve social justice in Ontario. Therefore, that'll be the focus of my presentation and, in terms of this budget, to express our pleasure of the government's identification of the committee to look at poverty reduction this year. I want to thank you for hearing our submission.

Just to tell you in one sentence, the Ontario Coalition for Social Justice consists of approximately 200 groups—we don't have an exact number—throughout Ontario in about 55 different communities, from Kenora to Cornwall and North Bay to Windsor. It's intriguing for me, as the coordinator, to travel around and speak to people, just as I'm sure it is for you as politicians to speak to people in your home constituencies and realize that there are

certain issues like poverty which really do affect people seriously and motivate them strongly to urge reform.

In this particular brief, I have a number of recommendations. I know I've spoken to you in the past, and the response has been, "Look, John, identify one. What can we do?" You know what? I've gone back to listing a whole number of things because of my optimism that the government this year is dealing with poverty and maybe will answer more broadly. I'm not so naive to believe that will happen in one year, but my motivation in identifying so many things is to say that there are myriad problems, in fact, in all sorts of areas.

In general, I would hope that the poverty reduction strategy—and it's relevant for this committee—would deal with an inter-ministry perspective, a broad, comprehensive perspective from the point of view of the government, and not just deal with social assistance raises, for example, however important that is, or minimum wage raises or particular things in the department of health or education. It's got to be everything, and it's got to be looking at poverty in the broad sense, in which all sorts of ministries affect people in individual programs.

I guess we'd say two things. I start off the brief by saying that we are really concerned with the growing numbers of poor people. The state of the economy, as you know too, is just really difficult. Heck, we're dealing with manufacturing job loss in all sorts of places, and mills stopping production, too, in the north. So wherever you are in the province, there are significant and good jobs that are being lost. Therefore, people have been previously paid union wages and good wages in manufacturing jobs or in mills that have allowed them to deal with life and bring up their families in such a way as to bring broad options—all of a sudden, the middle class is facing the prospect, actually, of entering the ranks of the poor. So it's a really serious problem. We're glad the government is dealing with it, but we just emphasize that it's really vital to do something really soon.

A related problem is the huge gap between the rich and the poor. Somebody earlier—I guess it was Mr. Barrett—referred to Hugh Mackenzie, and I quote him too. Hugh wrote a paper recently for the Canadian Centre for Policy Alternatives and suggests that there's likely to be a surplus this year—how much, who knows? But the fact is, there is a prospect of further money, and more money is needed to deal with this huge problem. He identifies this as well in a Statistics Canada report; there's more than one that talk about this growing gap. It's a huge problem. I just want to emphasize that.

The next thing is to identify the fact that there are really vulnerable groups. There are clear groups who face poverty to a greater degree. Obviously, people on social assistance at the lowest end of the income stream face gargantuan problems. It's just unbelievable that people on disability still can't live, say, at the poverty line. Unfortunately, the funding is just not there. They're living below poverty, and they face greater problems with all sorts of things—getting around, literally, if they

have mobility problems. I can't imagine being blind, but I work with a fellow on our steering committee who is blind, and he deals with problems every day in terms of just ordinary living. Money helps, just to take a taxi when necessary to get around and deal with needs. I could go on, but there are all sorts of problems.

Equal pay, my Lord: The equal pay act, I think, was adopted in 1988, and the gap between men's and women's pay generally is still huge. We are in a democracy here that believes in human rights. Men and women are supposed to be equal, but women know more than I how I have an advantage just because of my gender. That's just not appropriate for Ontario. It's not the Ontario that I think of or hope for, so I would hope the government would pay attention to equal pay, too. It's the 20th anniversary, I guess. The Equal Pay Coalition will be speaking to you and already has, I'm sure, urging that the government take action to finally make women equal in terms of pay for similar work as men.

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Racialized communities: There are all sorts of obvious groups that face difficult problems for no reason other than being a different colour—nothing to do with their skill at work, nothing to do with the job that they do. But because they're a different colour, they face discrimination, even from getting jobs to begin with, or when working, statistically they're shown to have lower rates of pay. They face gargantuan problems.

Aboriginal communities: Need I say more? It's an embarrassment nationally and provincially that the First Nations of this country and province still deal with incredible problems.

The poverty reduction strategy is something that I really hope will bring out all sorts of ideas. The one thing relevant to this committee, I think, that I'd suggest, because I trust the work this year will be extensive and all sorts of good ideas will come through the consultation—I hope that this committee ensures that the cabinet committee dealing with poverty has sufficient money to consult people throughout the province. It's just vital to consult a diverse range of people. I see nodding heads, so I'm pleased. I hope there's money there. I'm excited, actually, in just hearing good ideas from all around the province about how to deal with this.

I'd just finish off by saying there are clear things to do in this budget. During the election, there were three things identified: a dental plan for low-income persons, a full-day junior and senior kindergarten program and a new affordable housing strategy. I would hope that those would be proceeded with and therefore funded in this budget.

The last thing I'd suggest is a delicate political issue, I guess. We are pleased on one hand that the government has announced in the previous budget, for example, that there would be a raise in the minimum wage over three years, and that the Ontario child benefit is instituted. That's a great initiative. It's a good introduction, but unfortunately for us, for people concerned with families in poverty, it's spread over a few years before coming

into full implementation. So of course we hear, as I'm sure you do, from people who need the money now. To say the obvious, people in poverty are still going to be in poverty at the end of this consultation, and so we urge you strongly, if possible, to use some of the money that Hugh Mackenzie identified, or maybe elsewhere, to help people this year, in this budget: to raise the minimum wage, to provide more money for child care, to certainly raise social assistance rates.

Best of luck with dealing with all of these recommendations. I say that sincerely, and I do hope that this budget does reflect some real concern, with the government's exciting initiative on poverty. I find it exciting just because it's our main concern, and it's so pleasing to see the government of the biggest province in the country deal with this.

My pleasure; thank you.

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

Mr. Wayne Arthurs: John, thank you for the presentation. I'm not going to do what you started off by saying is often the case: "Pick your top two or your top three"; I'm not going to do that.

Mr. John Argue: I think it was you who asked that before.

Mr. Wayne Arthurs: It may very well have been. I'm not going to do that at all; it's not fair. When Sid Ryan, the president of CUPE, was here just a little while ago, I mentioned then that he had a shopping basket and it was really quite full, and he probably could have spent more time filling it up with activity.

You've acknowledged some of the work that has been ongoing, though one might say it's part of a poverty agenda that was in the works already before the formalization of the work that's been going on with this Ontario child benefit or others—an acknowledgement that we have to do more and we have to do better at what we're doing and have been doing. It really encourages me, your comments and others.

I think what we heard out there over the past number of months is that it's easy when you go into communities to get people to respond to the issue of poverty by saying, "Oh yeah, isn't that terrible? I really have a concern." I know what we've seen happening, with credit to all of those in the broader community and in the political engagement—we really have managed to collaboratively and collectively garner the public's attention and say, "This is not only a serious matter, it's a serious matter that we want to see attention paid to," as opposed to saying, "It's a serious matter—and what's for dinner?" I think we have a different outlook as a broad community now than we may have had some time ago.

Look, rather than my asking you—because you've covered a lot of stuff. You mentioned the Ontario child benefit and the minimum wage, and you acknowledged the fact—at least, I'll say that you acknowledged—that we do phase things in. I believe governments have to do that to ensure that they can meet their financial obligations etc. That's just the reality for us.

In the couple of minutes that I've left you, if it's that much, could you just tell me a little more about the Ontario Coalition for Social Justice? You mentioned a number of municipalities and social organizations, but it's always helpful to kind of plug in some realities for us. Who are some of those municipalities and what are some of those organizations, whether they're community organizations or faith groups, just to get a context of that spectrum of representation?

Mr. John Argue: I hope in another year, actually, the next time I appear before the committee, that I have a list of the groups that are part of it. I've been coordinator for a couple of years now and we're going through a strange period. I won't even say what the resources were when I arrived.

The coalition, I understand—because the records aren't perfect—started around 20 years ago. It started in opposition to free trade, actually, so it's union funded, and I include teachers when I say that. So we have money from CUPE, from Sid Ryan's union, from the OSSTF, the elementary teachers, and OECTA, the Ontario English Catholic teachers. Those are the biggest groups that are part of it. But then there are social justice groups or groups like—well, we have individual chapters of the Council of Canadians with whom we co-operate, and there are local social justice groups in communities.

One example is just delightful to me. I was able to visit Kenora a year and a half ago, and they organize so well. It's just so impressive. Last Christmas, for example, the community-active groups—the women's shelter, the legal aid clinic, the community health centre, the chamber of commerce. They include business, and this pleases me, that the whole community is getting together—and with aboriginals. Aboriginals are so important in that area. One of the things they said to me when I visited was, "You mentioned immigrants in your newsletter. That's a southern issue. Immigrants are in Kitchener or in Toronto, of course, but they're not in Kenora. Aboriginals are the real issue."

In other words, in total, I'm excited by the local activity in a place like Kenora, where they work together and where housing is the main issue on which they focus. But in Cornwall, for example, it's job loss, and so there we're dealing with—the city of Cornwall just set up a social justice office, so it's part of the Social Planning Network in Ontario. The Social Planning Network is another coalition around the province with which we co-operate.

In sum, I'm giving you a couple of examples just to give you an example of their work—broad members of unions or teacher federations and then small groups. I think Port Dover, on Lake Erie, has a women's group that—I don't know how many members it has, but it's a small number. But they're concerned with rural poverty, and they're concerned with being in a rural area where you might not have a child care centre nearby and so a woman needs transportation to get there. What if she doesn't have it? There are all sorts of obvious problems.

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

Mr. John Argue: Thank you very much, and good luck solving poverty this year.

REENA

The Chair (Mr. Pat Hoy): Now I call on Reena and the Toby and Henry Battle Developmental Centre to come forward, please. Good afternoon. You have 10 minutes available to you for your presentation. If you would identify yourselves for the purposes of our recording Hansard. You can begin.

Ms.Carolynn Morrison: My name is Carolynn Morrison. I am the parent of a son with developmental disabilities, specifically autism. I'm past chair of Reena, and I'm joined today by the president of Reena. Initially, I would certainly like to express my gratitude and that of our family to the government of Ontario for the services and supports that our son has received. However, today I sit before you to speak on behalf of the thousands and thousands of families who are still waiting for supports and services that they desperately need.

Reena is a non-profit social service agency dedicated to integrating individuals who have a developmental disability into the mainstream of society. Reena is known for its innovative services and the quality of support provided to its individuals and their families.

Reena was established in 1973 by parents of children with developmental disabilities as a practical alternative to institutions. Reena enables people with developmental disabilities to realize their full potential by forming life-long partnerships with individuals and their families.

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Reena provides services to close to 1,000 people who have a developmental disability, including day and evening programs, counselling and therapy for individuals and family members, and student training and community consultation.

In addition, Reena provides residential supports for more than 300 individuals in 132 locations, which include group homes, condominiums and rented apartments, two specially designed homes for seniors, and homes dedicated to children and youth with autism.

The Provincial Network on Developmental Services: Reena is a key player in the Provincial Network on Developmental Services, an affiliation of provincial organizations representing 250 agencies in the sector. During pre-budget consultation last year, the network asked for \$200 million in additional multi-year funding to be added to the sector's base budget in the 2007-08 fiscal year to address urgent pressures facing individuals with a developmental disability and their families, and to build positive momentum for change in this sector.

The 2007 provincial budget committed \$200 million over four years for developmental services, starting with \$62 million in the first year. While this was a good step intended to begin stabilizing the sector and to start addressing wage gaps, the additional funding did not go far enough toward resolving the immediate pressures on

individuals and families waiting for supports and services. The difference between the network's budget request and the funding allocated, combined with the costly resolution of localized labour disputes in September 2007, has exacerbated the pressure on an already financially strained sector.

To resolve these ongoing pressures, the government must increase payments under the Ontario disability support plan to reflect the real cost of living in Ontario, with a guarantee of annual adjustments aimed at keeping pace with the changes in the cost of living, as one element of the government's poverty reduction strategy. You must also commit \$325 million over four years to reduce the waiting list of 13,400 Ontarians who are waiting for residential services, day supports and other supports and services, including respite services for families, and also develop a comprehensive long-term policy and funding framework to safeguard the sector's sustainability, guide its long-term development and ensure that all Ontarians with a developmental disability have access to the supports and services they need.

A single person on ODSP can receive a maximum benefit of \$999 per month, or approximately \$12,000 per year, to live on. With this income they must cover all expenses, including shelter, food, clothing, transportation and household items. Notwithstanding the government's recent ODSP payment increases, many Ontarians with developmental disabilities live in poverty because the ODSP benefits remain more than 18% below the 1993 levels when compared with inflation. Current ODSP rates fall far below the poverty line, which, for a single person living in an urban setting in Ontario, is \$19,000 per year.

Affordable housing needs and Reena's response: Reena supported the government's 2007 election platform where it committed to creating a long-term policy and funding strategy for affordable housing. We believe that this initiative represents a step forward for Ontarians living with developmental disabilities. Reena further supported the government's priority on closing provincial institutions, and during 2007 we welcomed 30 individuals with developmental disabilities from institutions in the province. We must not, however, forget those living in the community who require housing supports. There is now a crucial need to respond to families who are included on the York region community needs list.

In past years, Reena has built the Al and Faye Mintz Reena ElderHome, which accommodates 16 seniors with developmental disabilities; the David and Luba Smuschkowitz Reena ElderHome for 10 seniors; the Heather and Martin Goose Home for Young Adults with Autism; the Berg Family Home, which offers a permanent residential program as well as a time-share respite residential program for children with autism; and the Shore Family Home, which provides residential programs for transitional youth and also a respite residential program for up to 18 families in the community. The specifically named homes have been acquired by Reena through its fundraising arm, the Reena Foundation.

In addition to creating residential spaces for individuals with developmental disabilities in the community, Reena has expanded its outreach programs to provide more programs for longer periods of time to individuals living in their family homes. These programs afford greater periods of respite, which is invaluable for their family members. The Reena Foundation grants up to \$400,000 per year for these programs and for the people waiting for residential services.

The need: York region is growing at a rate that is 14 times faster than the national average, adding 32,000 new residents per year to its current population of over 800,000 people. At the same time, York region has fallen behind in social services, with per capita spending on social services among the lowest in Ontario. Recent studies have identified the need for affordable housing and supportive housing for seniors and people with disabilities in the region.

Reena's new housing initiative: Reena is seeking assistance from the Ministry of Community and Social Services to secure capital funding for the construction of 83 residential spaces for individuals with disabilities. To be called the Reena Community Residence—and I would ask you to see addendum number one—it will be built at the Joseph and Wolf Lebovic Jewish community centre, situated in an underserved area of York region. Reena has received commitments for or obtained funding representing approximately \$20 million of the cost of the project. Government assistance is urgently needed to cover the remaining \$2 million in capital funding to ensure that this project can proceed and provide essential affordable supportive housing and community services to Ontario's most vulnerable citizens: children and adults with physical, developmental and mental health disabilities; the frail elderly; and families with special needs.

Providing a capital contribution to the Reena Community Residence supports the priorities of the Ministry of Community and Social Services and will allow the ministry to demonstrate results in the following key areas:

- settling and integrating the remaining individuals being released from institutions into the community;
- enhancing the capacity of the developmental disability sector and local communities to respond to the needs of people with developmental disabilities;
- encouraging and supporting families to develop their own supports in communities; and
- encouraging opportunities for cross-ministry, cross-service collaboration.

The necessity of well-trained staff cannot be over-emphasized. While some Reena clients are able to live in an integrated setting, there are others who require greater assistance. It is essential that there be well-trained staff available to provide these services. The recruitment of staff to the developmental disabilities sector is an ongoing concern, and once on board we must be able to retain staff by offering salaries and conditions on a par with social services such as health and education. A strong human resources recruitment and training plan is

essential, not only for social services but for the economic growth of the province.

Reena has always recognized the necessity of having well-trained staff and has had a vigorous and successful training program in place for many years. Reena now offers this program to the staff of similar agencies across the GTA. In 2007, Reena provided 3,000 training spaces to over 50 external agencies. Reena absorbed the cost of providing the trainers.

In addition to our learning and development programs, Reena has created a unique program to encourage individuals to embark on a career in social services. The developmental disabilities counsellor program is offered in partnership with George Brown College and now includes six other agencies. Twelve students graduated from our first program in 2003 and seven were hired. In 2007, 59 students graduated and 49 were hired in the developmental disabilities field.

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Families and service agencies in the developmental services sector believe that the time has come for the government to resolve the challenges that continue to face Ontarians with developmental disabilities. Toward that end, the Provincial Network on Developmental Services collectively agrees that government must increase payments under the ODSP to reflect the real cost of living in Ontario, with a guarantee of annual adjustments aimed at keeping pace with changes in the cost of living as one element of the government's poverty reduction strategy. We must commit \$325 million over four years to reduce the waiting list of 13,400 Ontarians who are waiting for residential services, day supports and other supports and services, including respite services for families. And we need to develop a comprehensive long-term policy and funding framework to safeguard the sector's sustainability, guide its long-term development and ensure that all Ontarians with a developmental disability have access to the supports and the services that they need.

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

Mr. Tim Hudak: Thank you both for the presentation. I have a number of questions. First, I noted in the brochure you provided, under "Reena's Mandate": "What makes Reena truly unique is the emphasis on providing Judaic programming and a Jewish environment for its clients, enabling them to develop spiritually and feel a connection and sense of belonging to their roots, culture and community."

I'm a big supporter of choice, that people should have a choice in services provided, whether it's faith-based or cultural options and that sort of thing. Do you care to describe in a general way why it's important for the residents to have that choice of the Jewish element with Reena?

Ms. Sandy Keshen: Let me walk you through a process. There was a teacher—his name was Hillel—who lived in about the eighth century. His principle was as follows: If I am for myself, who am I? If I'm only for

myself, what am I? Although Reena speaks to the principles of Judaic values and carrying them out, our population is 50% Jewish, 50% not. The individuals who are not Jewish—and Carolynn Morrison is one of the families who came to us because there was a faith base and a commitment to strong beliefs that individuals being supported by us have the right to the faith of their choice. They will attend churches, mosques, and we make a point of that because we strongly believe that's part of a human being's being that that happens.

In our outreach program, I would say that there is the same kind of percentage; we're very aware. Reena has been involved in helping faith-based agencies get started. Right now we're working with the Chinese community because we feel very strongly that as a community they're underserved, which means that although they make up 75% of our outreach program, they would probably benefit a great deal more if there was a faith-based, cultural-based organization that we could support. I hope that answers your question.

Mr. Tim Hudak: No, it's perfect; good answer.

There are two other questions that I'll pose in the interests of time, one with respect to the centre. You're asking for \$2 million from the province. I'm just wondering if there's been a capital fund that has already been set aside that you're applying to or if this is sort of a request outside the general funding.

The second question just deals around recruiting qualified staff. You talk about challenges with hitting the wages. Are they choosing to go into other sectors, or is it a matter of not getting enough graduates for your programs?

Ms. Sandy Keshen: It's interesting. The graduates from community colleges get very much into education: It pays more, it's not evening, it's not weekends, so they go there. Community college graduates go to that sector, so you don't see very many GSWs coming into our sector. So we began our own process and invited agencies. The individuals being trained by us know exactly who they're going to be working with and how they're going to be working. How we've done that is we estimated what it costs us to train staff; we are now able to use that time and money and train more staff, and they also get placement in the six agencies. They're very aware. It's a very different model than two years; it's a four-month program, and we have graduates twice a year.

Ms. Carolynn Morrison: Could I just add to that? As a parent who has needed to use the services of a group home, it's very, very difficult to place your child in the care of others, especially for mothers; we believe that we are the only ones that can provide services for our children. So I have to say, to be able to make that hard decision to let your child go, you really have to have the confidence that the individuals who are caring for your child, first of all, are well trained. Yes, you want someone who is concerned, but concern doesn't help them with the unique needs and behavioural challenges that my son would present or the pharmacology that's required for my son. So it's absolutely imperative that the

people who are brought in to work in the group homes with my children and many other children are trained to the best possible ability.

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

Ms. Sandy Keshen: Did we answer your question around the—

Mr. Tim Hudak: The capital side.

Ms. Sandy Keshen: The answer to the question on the capital side is that we will be going on a very serious campaign, and we've begun that already. With our taking of 30 individuals from facilities into our existing housing, we are able to look at some of the dollars going there. We did get a provincial-federal agreement for \$1.6 million, so we hopefully have a quarter of the money needed, and we've got a strong commitment from our community to help us with the campaign. So we are looking toward the ministry for \$2 million to top it up.

Mr. Tim Hudak: Matching the federal level.

Ms. Sandy Keshen: We have \$1.6 million specifically geared to dual-diagnosis individuals living in York region.

Mr. Tim Hudak: Thank you.

COLLEGE OF PHYSICIANS AND SURGEONS OF ONTARIO

The Chair (Mr. Pat Hoy): The College of Physicians and Surgeons of Ontario, please come forward. You have 10 minutes available to you; there could be five minutes of questioning. I ask you to identify yourselves for the purposes of our recording Hansard.

Dr. Rocco Gerace: My name is Rocco Gerace. I'm the registrar of the College of Physicians and Surgeons of Ontario. I come to this position having practised emergency medicine for more than 25 years in the London, Ontario, area. Joining me today are Louise Verity, who's the director of policy and communications, and Mr. Noble Chummar, who's a partner in the business law group at Cassels Brock and Blackwell. Noble is a member of our college council and currently serves on the discipline committee.

I'd like to speak today to three issues: firstly, the issue of oversight and regulation procedures done in out-of-hospital facilities; secondly, the ongoing health human resource challenges; and finally, to recommend enhancements to the public appointments process at the college. I'm not going to be reading our presentation, but I will simply highlight what's in the material and allow some time for questions.

Increasingly in Ontario, more complex surgery is being performed out of hospital. This is a good thing. This is a way of utilizing resources efficiently and effectively. Unfortunately, the regulation of this activity has not kept step with the amount that's going on. In-hospital, we have a Public Hospitals Act that clearly outlines a regulatory framework. There's no such framework for out-of-hospital procedures. There are a number of procedures, and we have been aware over the

last while of things like cosmetic surgery that are being performed out of hospital, and we think that there needs to be an aggressive approach to regulating this activity.

Currently, the college is involved in the independent health facilities oversight and this has formed a model for regulation, but we think more needs to be done. While we've prepared some regulatory amendments, we don't think that this will provide adequate regulatory solutions. For example, in the current process, we are unable to dictate what procedures can be done, to dictate the qualifications of those performing the procedures, to restrict what goes on in a particular facility, and, perhaps most importantly, to have a quality assurance framework to ensure that patient safety issues are addressed.

There are models across the country in some of the western provinces. In particular, Alberta has a very effective regulatory process for facilities. We are very anxious that we work together to create a regulatory framework for facilities. We are currently working with the ministry, and we think this work is critical.

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The second issue is around health human resources. We've spoken to this committee in the past about the importance of addressing the need for health professionals, and clearly our message has been heard. Work has been done: We've had more doctors registered in the past year than we have ever had in the past, but we have to continue to address this very important issue. Clearly, we recognize that we are heading for a crisis. We know that the population is aging, and with that aging population will come a dramatic increase in the burden of illness. We know that younger doctors tend to work less than older doctors; this is a matter of fact. Finally, we know that there is an aging physician population; in addition to the baby boomer patients, there's a group of baby boomer doctors who are going to be retiring. This compilation of issues is creating a perfect storm, so we are very anxious that government continue to put resources toward the creation of more doctors, toward the attention of collaborative-care practice models to allow other health professionals to do work and would urge again that consideration be given to the creation of an independent health human resource planning body, a body that will be able to plan for the future to look 10, 15 and 20 years into the future to ensure that we don't face crisis as we do today.

The third issue that I'd like to address is the public appointments process. I'm not sure how many people realize that regulation of health professionals in this province is a partnership. It's a partnership of the public and members of the profession. Indeed, on our council of 34, 15 members are members of the public appointed by government. Public members participate in every committee at the college, in every regulatory decision, in every policy decision at the college. The public members of our council are critical to the work of the college. We think there are flaws in the process. One of the big flaws relates to the remuneration of these members. It seems hard to imagine why members of the Health Professions

Appeal and Review Board are paid in the range of \$350 to \$400 a day when council members who sit on adjudicative committees are paid \$150 per day. The matters with which they deal are just as important. Reviewing a complaint decision is perhaps not even as important as a discipline panel that's reviewing a physician's right to practise into the future. Similarly, the process does not allow adequate compensation for preparation time; an example is the registration committee that considers multiple binders of information in considering who can practise medicine in this province, yet the rules would suggest that this preparation time should not be paid for. We've made a number of recommendations around the public appointments process, including suggestions that we have a process to screen candidates to ensure that they understand what the work involves; an effective orientation program; and a significant increase in the current per diem from \$150 per day to something more reasonable.

We think there are some important changes that should be made in the regulatory framework in this province and have tried to outline three of these for you.

We would be happy to answer any questions that you may have.

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

Mr. Michael Prue: I listened with great interest, but much of what you had to say falls outside the ambit or the scope of a finance committee, save and except your request that we start to spend more money and develop places where doctors can learn. You have written down that the government is presently offering 100 additional spaces, and you say you need many more. How many more? You didn't put a number on it.

Dr. Rocco Gerace: I did not put a number on it, but we need a lot more. I think it would be inappropriate for me to suggest a number of places. I would think we first need a planning body to determine the right number of the right people to be able to give the service that's necessary.

I'd also like to come back to your comment about the right place and the right time. It would seem to me that legislative change and the commitment of everyone's time is a resource, and it's a resource that we think should be allocated in a way that best suits the public interest. So I would take exception that this is not the right place. I think if we're talking about allocating resources, and regulation is an important resource, that this is perhaps the right place. Similarly, resources around payment for public members clearly belongs in this venue.

Mr. Michael Prue: Yes, yes; okay. I acknowledge that. But there are other committees that deal more specifically with what you're asking. Be that as it may, what you're looking for, then, is a commitment from the government to sit down with you and like-minded groups and to discuss for future budget considerations how much more will be needed to train appropriate amounts of doctors.

Dr. Rocco Gerace: In respect to doctors, what we're suggesting is that, firstly, there be the creation of a health human resource planning body, a planning body made up of wise people who will be able to predict into the future the number of doctors, nurses and other health professionals that we will need moving forward, and then with the advice of that planning body allocate sufficient resources to meet those needs.

Mr. Michael Prue: Am I given to understand, then, that with the exception of the per diems, which would not amount probably even to \$1 million a year, you are not seeking additional funds in this budget process but you merely are seeking a committee and a commitment to study for future budget consideration?

Dr. Rocco Gerace: What we're asking is that there be careful consideration given to the amount of money paid to our public members and that that number be increased. If it could be done this year, I think that would be of benefit to not just the members of our council but to the public at large.

Mr. Michael Prue: I agree, but that's a relatively small amount of money. Is that the only expenditure of monies, apart from setting up a committee to study for future?

Dr. Rocco Gerace: Well, the committee plus the resources necessary and the increase for the per diems for public members. That's correct.

Mr. Michael Prue: Thank you so much, then.

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

ASSOCIATION OF ONTARIO HEALTH CENTRES

The Chair (Mr. Pat Hoy): I call on the Association of Ontario Health Centres 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 our recording Hansard.

Mr. Scott Wolfe: Good afternoon, and thank you for your time this afternoon. My name is Scott Wolfe. I'm a policy analyst with the Association of Ontario Health Centres. As some of you may be aware, the AOHC represents Ontario's close to 100 community health centres, aboriginal health access centres, and most recently a particular form of family health teams known as community family health teams; so those are 26 at present out of the 150 family health teams that have been announced and funded by the current government.

I'm going to try to be as brief as possible. I know your ears are probably ringing. So, as they say in the movies, let me try to cut to the chase and leave as much time as possible for your questions.

I'm here to speak to you today about three related recommendations that the AOHC and our members have to the finance committee and government. This year we feel that we are quite modest in our questioning and requests for the upcoming year, and each of these

requests and recommendations for 2008-09 speaks to what we feel is a longer-term vision that I'd just like to take a quick second to describe for you.

Some of you may have already heard this phrase, but our recommendations are situated within a vision for health and health care in Ontario and across the country, one that we're proud to be collaborating on with a number of provincial and national bodies to bring to light what is termed the second stage of medicare. If you've heard this term and it's not resonating or not making sense to you, very simply, what the second stage of medicare speaks to is doing things a new way, doing things more effectively and more efficiently. It's about investing our energy, our resources, first and foremost, in policy interventions and programs within the health care system that will enable us to keep Ontarians and Canadians healthy in the first place and then, through effective planning and resource management, provide more timely and effective health care services across the full continuum from primary care to hospital care, long-term care, in a more timely and effective manner.

I believe that we speak to these issues in a little bit more depth as well as the rationale for our three recommendations to this committee in here, and I would urge you to please spend a few minutes to read through these. Just to enumerate them quickly, what we're recommending to this committee for 2008-09 are the following:

- (1) to eliminate the counterproductive three-month OHIP wait period that is imposed on landed immigrants;
- (2) to eliminate the current second-class status of Ontario's 10 aboriginal health access centres and the communities that they serve;
- (3) to move forward in completing a provincial network of CHCs, AHACs and community family health teams to meet the needs of all Ontarians who need access to these services.

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These are, by far, exhaustive requests or changes that we'd like to see, but we think that in looking to complete the second stage of medicare in Ontario, these are what could be deemed low-hanging fruits. These are immediate policy interventions that could be made this upcoming year, with appropriate funding allocations, that will make a very tangible difference in increasing access to health care for hundreds of thousands of Ontarians and really fulfilling what are a number of stated commitments to communities throughout the province.

I'm going to speak very briefly to the first of these two recommendations: eliminating the OHIP wait period for landed immigrants, and then equitable funding for Ontario's aboriginal health access centres.

In the first respect, as you know, the current government—with support, I believe, across party lines—recently enacted the Fairness for Military Families Act. This speaks to a logic, I think, that is appreciated across party lines, and this means eliminating barriers to access to health care services. Currently, about 130,000 landed immigrants per year are forced to wait three

months for access to health care—OHIP coverage, as you know. This not only complicates the settlement process, but ultimately it means that we're spending a tremendous amount more in longer-term care and supports for families and individuals who are forced to forgo emergency and, in some cases, routine care during their first three months.

You'll see an example in our submission here which provides a case study of one individual whose family racked up over \$90,000 in emergency medical bills, and if you think this is just an exception, the sort of horrors that this family has faced are happening throughout the province on a daily basis. If this committee or government wished to hear more of these, the AOHC, in co-operation with the Right to Healthcare Coalition—which I'm proud to be a co-chair of—would be most pleased to bring these issues further to light, as we already have attempted over the last couple of years.

So we urge implementation of funding, which would follow introduction of a bill to open up access for landed immigrants to OHIP coverage immediately upon their arrival.

The second issue is the shortfall in funding faced by Ontario's 10 aboriginal health access centres. This amounts to roughly a \$15-million annualized shortfall for AHACs when compared to other similar services that are dedicated to non-aboriginal communities. This is something that we've addressed with this committee for the past two years, and an issue that we've tabled with government for the past three years at least. In essence, aboriginal health access centres have been flat-funded since 1997. This shortfall of \$15 million across 10 centres means that AHACs are unable to pay their staff at fair market rates—this is documented; are unable to hire the complements of staff that are required to deliver appropriate services—this is documented; and in essence are unable to participate in a lot of the provincial health reforms that, fortunately, community health centres in other centres have been able to participate in.

If I could stress two things that this finance committee could demonstrate leadership on, they would be forwarding strong recommendations to government that the OHIP wait period be eliminated in this upcoming year, as well as some sort of immediate intervention to ensure equity for aboriginal health access centres and their communities.

Again, we go into further depth in our submission, with substantiating rationale. There are background documents to further substantiate this. Some of these were submitted to this committee last year; others are in the hands of government currently. I hope that you will take up this challenge, and I'm open to your questions. Thank you.

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

Mr. Wayne Arthurs: Scott, thank you for your presentation this morning—this afternoon, I guess, now. Like you, we're beginning to be filled up to the point

where it's starting to spill out our ears, I think, the number of presentations we've had today.

Having said that, it's nice to have a concise and very specific presentation. Do you want to take a couple of minutes, though, and just maybe flesh out the third recommendation a bit for us, so it's not only in written copy for us for Hansard but also on the Hansard record?

Mr. Scott Wolfe: Okay. I'd like to start by commending the current government and its numerous announcements since 2005 to expand access not just to physicians, which is where a lot of the public debate lies around health care, but also to interprofessional health care: 21 new community health centres, 18 new satellite community health centres, and 150 family health teams, of which 26 are community-governed, community-driven family health teams, which look a lot more like community health centres than do the average physician- or provider-driven family health team. So we have made tremendous strides over the last few years, and I want that on the record.

But what we feel is that in order to take advantage of a lot of the reforms that are being implemented in Ontario—including an increased emphasis, thank goodness, on primary health care—we need to have a strategic planning process whereby we identify all communities that require access to this model of care. CHCs, AHACs and community family health teams are funded differently, have different streams of funding and oversight, yet what they all have in common is that they involve community in the development and governance of health services. They reach beyond the clinical component of care and implement community development and health promotion programs that enable people who face barriers, due to poverty, race, gender and any number of factors, to accessing and benefiting from care to get the support they need to come to a place of health and equity on par with average Ontarians.

We feel that we are far from completing what we think should be this network of community health centres, AHACs and community family health teams throughout the province, so we'd like to engage government in determining how many more and where they're needed. We know of certain priority communities, definitely. I'd point out the horseshoe around the city of Toronto—Mississauga, Brampton etc.—as areas where there's a tremendous need for these types of services.

So what we're proposing as a modest beginning in 2008-09 is to start with 20 new centres: 20 new community health centres, new aboriginal centres, be they CHCs or AHACs. There haven't been any new ones announced for quite some years, with the exception of three family health teams which are focused on aboriginal communities. We'd like to begin by expanding these services in 2008-09, with a view to determining, in partnership with government, the full range of new centres that are going to be required over the coming years. I hope that answers your question.

Mr. Wayne Arthurs: It does, Scott. Thank you so much for that. I know that in parts of my riding—two

different communities, as such—we've had a very successful community health centre. Actually, it was focused around a youth centre that was started and has really developed and served the youth population very effectively. They have approval for one of the satellites but they're still resolving acquiring the appropriate site and those types of things.

I think your submission, that we need to maybe look a little more comprehensively at the network required in the province and prioritizing different ways, is one that's valuable. Within the context of health in particular, where our principal responsibility lies, we need to have a very good look to ensure we're servicing the right populations at the right time. Thank you so much for your submission.

Mr. Scott Wolfe: Thank you very much.

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ONTARIO'S WORKFORCE SHORTAGE COALITION

The Chair (Mr. Pat Hoy): Now I call on Ontario's Workforce Shortage Coalition to come forward, please.

Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would just ask you to identify yourselves for the purposes of our recording Hansard.

Mr. David Zurawel: David Zurawel, vice-president of policy and government relations for the Council of Ontario Construction Associations.

Ms. Linda Franklin: I'm Linda Franklin, with Colleges Ontario.

Mr. Tyler Charlebois: I'm Tyler Charlebois, the director of advocacy for the College Student Alliance.

The Chair (Mr. Pat Hoy): Go ahead.

Ms. Linda Franklin: Thank you very much for seeing us today. You'll be seeing some of us in other capacities throughout your hearing process. We're in Guelph with Colleges Ontario in a couple of days. This presentation today is about a much bigger movement, encompassing a broad range of folks whom you see on the first page of our presentation to you today.

When I started at Colleges Ontario a year ago, I was asked to make a presentation to a sector council group on skills training and shortages, and I asked my staff to talk to me about how many other groups had said something about skills training over the past year or two. In fact, we ended up with four pages of PowerPoint slides on individuals and groups who had said to government at one point in time, "There is a coming skills shortage; we need to do something about it." That was really the genesis of our starting to think about bringing a coalition together, which is what this workforce coalition represents. It's 20 organizations that represent millions of employees and every sector of the Ontario economy. They are all saying together, through this coalition, "We have a challenge, and we need government to be engaged in trying to fix it with us." We're here today to deliver that message to you.

It seems a little strange, I know, to be talking about labour shortages at a time when we're facing some challenges in the economy, and particularly in manufacturing—paper mills—there are some struggles around employment. These folks who are out of jobs right now are struggling to cope, but we believe that that's part of the same continuum. There are folks who are unemployed right now who need retraining and re-skilling and support for that. Frankly, in post-secondary education institutions, I don't think we do the best job we can for those folks right at the moment. There's some work to be done there in how you really do a good job of rapid deployment and retraining for these folks.

At the same time, there are many employers, even today, in a number of sectors from tourism to mining to health care, where positions are going unfilled because employers can't find qualified people. You'll see in the presentation that slides 2 through 7 talk about the specific sectors, from electric power to the environment, from health care to construction, financial services to tourism and hospitality, where workforce shortages are already a reality.

The coalition, as one of the first things it did, pulled in the Conference Board of Canada and asked them to do a third party independent evaluation of where they saw the labour market going in the next 20 or so years. They found that without any question, we will have a shortage of educated workers, skilled employees: by 2025, more than 360,000 fewer people than the workforce needs in Ontario; by 2030, 560,000. It starts as a relatively small problem in specific sectors today, but I guess the big challenge is, as we go down, between baby boomers retiring, people leaving the workforce a bit early, there's a general shortage of labour in the world, which means that every western democracy particularly is hunting the world for trained folks. We are going to face a really serious challenge in Ontario if we don't get started now on fixing it, and the longer we go on, the more exponentially this challenge grows.

I'd like to take a minute or two to ask my colleagues to comment on their experience, maybe starting with David Zurawel from the construction side.

Mr. David Zurawel: Thank you, Linda. Thank you, Mr. Chair and the members of the committee, for the opportunity to appear before you today.

As Linda has already addressed, the looming skills shortage represents a real threat to Ontario's continued economic security and prosperity. The industrial, commercial and institutional construction sector is no exception. Between now and 2015, our sector will need to replace 50,000 skilled tradespeople as the beginning of the baby boomer generation begins to retire. In addition to these people, another 35,000 people will be required just to meet the growth of industry demand. To date, all indications tell us that that we will be able to fill these 85,000 positions; however, there is real concern as to where these people are going to come from when we try to meet the projected skills shortfalls in the years 2025 and 2030.

For our industry in particular, the issue primarily lies in being able to replace retirees. Presently, the average age for most trades in Ontario is 40 years of age. As of 2005, which was the last year for complete information and data, more than 58% of the construction workforce is between the ages of 35 and 64. As I'm sure you can appreciate, with the passage of time, the workforce attrition rate is going to start to grow exponentially, and we're going to get to a point where keeping pace with the shortages is going to become untenable.

By not taking advantage of what time we have left now to put in place solutions to confront this problem, we're placing in jeopardy our ability to meet the province's strategic infrastructure goals—basically development, maintenance and replacement needs.

With that, I'll pass it off to Tyler.

Mr. Tyler Charlebois: Post-secondary education is a fundamental building block of a prosperous and just society. Education is one of the variables in Ontario that intersects all others. It impacts the health of Ontarians, the justice system we use, the economy on which we depend, and the civic engagement of our citizens. As a province that values the building of culture and social capital, we must work to ensure that the post-secondary education system is meeting the needs of our citizens, and frankly, right now it's not.

We have many citizens across the province who are going without access to post-secondary education. This fits in directly with the issue of the labour market shortage that we are going to be facing, as we have youth who are not getting the education, who are not going beyond high school into post-secondary education, whether it be through a college, university or skills training. We have immigrants who are not getting the proper training or recognition of the previous training that they have. We have women who are not getting the employment that they need and mature—or seasoned, as I like to call them—workers who are not getting the ability to continue to work and contribute to society. And obviously we have aboriginal Canadians and Ontarians with disabilities who are not getting the proper access to employment that they need. That is a major issue and a major challenge that we have: getting those under-represented groups in the province of Ontario educated, getting them retrained and getting them into the workforce so they can contribute like every other Ontarian and like they want to.

There's a figure that I like to talk about that says that if adults aged 25 to 64 with high school or less had the same employment rate as those with college credentials, 289,000 of them would have jobs. That's a huge figure and a huge number of Ontarians who are not finding employment because they do not have the education that is needed. With 70% of all jobs needing at least some form of post-secondary education, we need to start retraining and we need to start making sure the education and the accessibility of our institutions are there. From our perspective as the College Student Alliance, we'd

like to see a huge push being put onto education, with the province saying that education is a major issue and that you can't just stop at high school, you've got to go beyond; you've got to get that education so you can get that career that you're looking for that is going to contribute to the economy and is going to fill the labour shortages that we're facing across many sectors now and into the future.

Ms. Linda Franklin: We have a series of recommendations for you today.

The government and the province have been doing a lot of things, where we have work going on in the manufacturing sector, in the construction sector, in energy. But we're a little concerned that if we keep doing these piece by piece, sector by sector, we'll solve one sector's problem at the expense of another's. So we're recommending a Premier's skills council to bring together all of the good work that's already being done, identify where the gaps are in dealing with the skills challenge, and then produce some recommendations fairly quickly that not only put some obligations on the government but also bring together employers and educators as well as the folks who need to work together to solve this problem. We think it's eminently doable.

Our challenge, I think, is that all the Premiers have been advocating for a national skills strategy unsuccessfully for a while, and if that isn't going to happen, we think the province needs to act now so that we don't find ourselves, in a few years, in a place where it's just not possible to address this issue. Britain is already way ahead of us; most of the older western democracies are. They're out looking all over the globe for talent; they're putting all sorts of policies in place to do it. We need to be there, too, with the very best policies and strategies we have. So that's our recommendation for the big picture. How do you solve the skills strategy, writ large? We think that's going to take a few months. In a year at most, we think we can have a skills strategy in place. In the meantime, of course, we still need to start to look at some of the current and immediate needs of the workforce. We think we're well positioned to do this. The federal government is flowing another \$192 million, we hope, for skills training. We've got new federal post-secondary money that's supposed to flow this year. So we don't think it has to be a big burden on the provincial treasury to accomplish some of these goals down the road. The money's there.

In the meantime, though, while we're developing this strategy, we think we can strengthen—page 11 of the brief will show you some quick wins, we think, looking at how you strengthen training and transitional supports so that folks who are unemployed now can quickly get marketable credentials that help them get re-employed well and preserve jobs in the future. Initiate a next-generation workforce skills program which would support Ontario's employers in any sector that has a critical skills shortage today to help work with educators to design, equip and implement new programs to get more skilled workers into the field.

Then fund the Workforce Shortage Coalition a very modest amount, we're suggesting, to strengthen campaigns and outreach to youth about their career options and work experience, to look at best practices in other parts of the world, to get the support to teachers and guidance counsellors that we think they need to identify issues beyond the ones that they would traditionally think of as good employment opportunities, and to help work on supporting transparent and seamless transitions right through post-secondary education. The Minister of Training, Colleges and Universities is working on this now with the universities and colleges, but we think it needs a further push as well, with the whole weight of the government behind it to get where we need to go.

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

Ms. Linda Franklin: Working to the end, Mr. Chairman.

Finishing, we think this is a current and important issue for action. We think that it's a good issue to bring before you because at least in the current year it won't cost you a lot of money. It's really mostly about policy development, understanding the challenge and starting to put the building blocks in place to address it.

I think the other thing we'd just say to you is we're not coming to you today to suggest that government has all the answers or government should shoulder all the burden, but we are saying that if we work together—employers, educators, government, workers—we can find solutions that will mean that we will avoid the kind of labour shortage that many other places in the world are going to be facing in pretty short order, and that in some sectors we are already facing today.

Thank you very much for your time.

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

Mr. Toby Barrett: Thank you for your discussion on labour shortages and the predictions for ever-increasing shortages. You talk about the years 2025 and 2030. In the area I represent in southern Ontario, with tobacco, fruit and vegetables, greenhouse—we have had a severe labour shortage for the last 25 years with respect to those agricultural commodities. I went through the Conference Board of Canada report. It doesn't seem to touch on that. Very simply, people do not want to do the work. I have done the work. I've done it for years in just about all of the commodities that are grown in our part of southern Ontario.

We have an excellent program. I don't know the figures; maybe 10,000 people a year come in to work in these labour-intensive commodities. I know in my area right now, primarily people from Jamaica and Mexico are here for maybe six or nine months. It's an excellent program. They spend a lot of money, they take a lot of goods back to their home countries and probably make money selling those products. It's a real boost to the economies in those countries.

Do you see any model here for some of the problems you're talking about as far as people coming in from other countries? I know there is mention here of a two- to five-year work visa. I'm talking more of a six-month or nine-month visa, then you go back.

Ms. Linda Franklin: Absolutely. I think one of the first things we'd suggest that the Premier's council do is to look at all of the best practices out there that do provide some modelling for us.

I'll tell you our big concern, though. We had a speaker from the UK who's in charge of their skills program come and talk to a conference not that long ago. He put a map of the world up in front of everybody, and they know precisely where the excesses of employment are over the next 20 years, where the deficits are, how many people they need, in what sectors, and how they go after them. So they have huge recruiting drives now in places like Pakistan and India, where they think there's an excess of workers.

I would imagine the same thing is going to be true of agricultural workers. So our big concern, frankly, is if we don't start now figuring out these issues and best practice and making sure that we have a lock on our labour market, we're going to find ourselves struggling, even with good programs like that, to keep up.

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: Thanks. Excellent presentation. It's great to see this broad-based group coming together. There are a couple of questions; maybe I'll ask them, in the interest of time, at once.

On page 10 of your presentation you underline the word "new" in terms of the federal funds coming to the province of Ontario. I've been on this committee long enough and just wonder if you're sending between the lines here a concern that the province might use that money for previously announced programs, as opposed to new spending. Is that why the word "new" is underlined?

Secondly—maybe this is best to David on the apprenticeship side—I have all kinds of folks in my riding interested in tackling apprenticeships. They have difficulty, though, accessing it. Can you maybe go a little bit further on how to modernize our apprenticeship system so that we can get more through?

Mr. David Zurawel: Thank you for the question. That's one of the issues we're looking at right now. The government, in the previous administration, did work at improving the apprenticeship tax credit, the three-year program. It's a good start. It's something that we're looking to take and hopefully broaden out a little bit more. If you take a look at an issue like construction, it seems fairly self-evident as to what it is, but even in the trades within what we call ICI—industrial, commercial institutional—construction, we have some apprenticeship programs that are three years, some that are five years, and there isn't anything that catches all of it. So we really need to work on that. I can't really say what the answer is. I don't know what the answer is other than that the good start we have with the existing apprenticeship program needs to perhaps evolve a little bit more to meet some specific needs of specific trades.

Ms. Linda Franklin: On the other question about "new" and "new" on page 10, this funding, which is new, isn't specifically earmarked by the federal government for a whole lot of reasons, although it has been fairly clear from them that that's where they want it to be directed.

Luckily, last year the Ontario government did flow funding from the feds directly to PSE, as it was suggested should be done. Other provinces weren't so good; in British Columbia, it went right into road maintenance. So, yes, we are concerned that in a tough economy every opportunity for money is an opportunity to look at a broad base of issues and challenges. We're very hopeful that, because of the challenges we think we're facing right now, this money that is available should be directed to post-secondary because we think it can solve a lot of problems; not just, frankly, in education and the economy, but also there is a social justice overlay here in what Tyler has talked about. There are lots of folks who are terribly underemployed today and under-represented in the workforce because we're not doing a good enough job of training them and reaching them in the right ways to allow them to maximize their potential. We think some of that clearly has to be addressed as this goes forward.

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

The committee adjourned at 1607.

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