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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Friday 19 December 2008

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Vendredi 19 décembre 2008

The committee met at 0901 in the Novotel Hotel, Ottawa.

PRE-BUDGET CONSULTATIONS KINARK CHILD AND FAMILY SERVICES

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. The committee is pleased to be in Ottawa this morning.

Our first group to present is Kinark Child and Family Services. Please come forward. Good morning. You have 10 minutes for your presentation. There might be up to five minutes of questioning. The questioning will be put to you by the official opposition in this round. We'd just ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Peter Moore: Good morning. My name is Peter Moore. I'm the executive director of Kinark Child and Family Services.

Ms. Tracy Folkes Hanson: I'm Tracy Folkes Hanson. I'm the director of communications.

Mr. Peter Moore: I'm here today to talk about the dire situation facing children and youth with mental health problems.

Kinark is the largest children's mental health organization in Ontario and provides professional help to over 12,000 children and youth with chronic and multiple mental health issues. Kinark's program offices span the province from Cobourg to Midland to Oakville. We employ more than 800 staff, and we partner to deliver services with child welfare agencies, schools, child care centres and community organizations. Kinark is accredited by Children's Mental Health Ontario. Our services are divided roughly into three main areas: children's mental health, autism, and youth justice services. We run Syl Apps Youth Centre in Oakville and also operate a number of community-based youth justice programs.

There is a critical need for sustained funding for the autism budgets across Ontario. Ontario has built a world-class—indeed, world-renowned—autism program. You know from listening to parents in your communities that desperate needs continue to exist. I'd be happy to discuss these pressures with any of you at a future meeting.

I would also draw to your attention that Ontario's youth population is shifting. Next year, I hope to come back to your committee and discuss how these changes in

our population base are having an impact on our service delivery and how we can work together to serve the needs of our First Nations people in southern Ontario and in the far north.

Today, I have a larger issue that I'd like to talk to you about, and that is children's mental health issues in our province. Children's mental health issues are of growing concern and prevalence in Ontario. I'm sure you're aware of the Senate report tabled in May 2006 called Out of the Shadows at Last. In that report, Senator Kirby wrote that mental health is "the orphan of the health care system" and children's mental health is "the orphan of the orphan."

I should begin by telling you a bit about children's mental health and children's mental health centres. Hospital-based services provide a small percentage of specialized children's mental health programs. The majority of services are provided in community-based centres. These are not-for-profit organizations, like Kinark, which offer a range of treatment programs in their offices, in family homes, at community centres and in schools. Children's mental health centres are located throughout the province. There are 87 of these and they are funded principally by the Ministry of Children and Youth Services. Services range from prevention and early intervention programs to intensive treatment services.

Here are some facts. One in five children in Ontario currently struggles with mental health issues. One in six children in the province with mental health problems currently gets treatment. Some 80% of youth in our criminal justice system have a mental health disorder— Senator Kirby has called these justice institutions "the asylums of the 21st century." The percentage of offenders in Canada's correctional system with a diagnosed mental disorder has risen 61% in seven years. Suicide is the leading cause of non-accidental death among 10- to 19-year-olds, and suicide can be prevented. At least 70% of adult mental illness cases can be traced back to childhood. The Canadian economy loses \$8.1 billion annually due to a range of mental health issues across the Canadian population—that's \$8.1 billion. Mental health is as important as physical health. Untreated mental health issues often become more severe, increasing the likelihood of school failure, family breakdown and involvement in youth crime.

So that's the bad news. Here's the good news: We know that treatment works. Evidence-based prevention

and early intervention programs are effective, leading to significant improvements in academic progress, social development, behaviour and mental well-being.

The average cost of treating children's mental health problems in community-based agencies is less than \$2,500 per child per year. The cost of incarcerating a youth through the juvenile justice system in Ontario is over \$90,000 a year, and the cost of a pediatric hospital bed is \$900,000 a year. Let me take you through that again: \$2,500 per child per year in community-based mental health centres; \$90,000 for incarcerating a youth; \$900,000 for a pediatric hospital bed.

The children's mental health sector has received only two increases in the past 13 years, neither of which has kept up with inflation. Government funding for children's mental health centres remains insufficient. Each year, we are forced to deal with rising costs by reducing services and staff, leading to increased wait time, which in turn prevents children in the province from accessing services they so badly need. Each of these children and their families needs help and each of these children is surrounded by a classroom and a neighbourhood which are affected by these problems. You may have seen the parents of these children in your offices. Statistically, these kids are in our own extended families.

Last week the Auditor General's report said that "core funding for children's mental health services across the province has been eroding for the past decade. As there has historically been little or no annual funding increase for the agencies' core programs over the last 10 years, the agencies have had considerable difficulty in maintaining their ... services. This erosion of funding amounts to reduced services for children needing mental health support, in particular prevention and early-intervention programs designed to reach children before their mental health issues are severe...."

A lack of adequate funding in this sector has caused a critical shortage of mental health professionals who specialize in treating children and youth. We are often a training ground for talented social workers and child and youth workers who cut their teeth at Kinark and then move into higher-paying jobs in health, child welfare or education. This shortage of professionals exacerbates the wait times and increases the burden on the parents, youth, staff, the mental health sector generally. It costs us all; mostly, it costs our children.

Prevention, early intervention and treatment work. Kinark and other children's mental health centres have the expertise to provide necessary treatment and care for the most vulnerable children and youth in our province. We are good at what we do.

Ladies and gentlemen, I think you know that now is the time to invest in kids. There have been several indepth articles in our major newspapers about mental health and children's mental health. You have seen a number of reports and proposals in the Legislature which speak to this issue.

Kinark is supportive of the McGuinty government's goal of reducing poverty and improving outcomes for

children, including the need to invest in mental health services in our schools. We endorse the findings of the Review of the Roots of Youth Violence recommending \$200 million in funding for universal youth mental health services. Kinark was very happy to hear Minister Caplan acknowledge that there is a need for increases in our sector and we were very pleased, too, that the Legislature agreed unanimously to support MPP Elliott's initiative for an all-party committee to examine mental health issues.

So here's my ask: On behalf of our children and their families, I'm requesting an additional 3% funding increase for the 2009-10 fiscal year. There are half a million children and youth in Ontario with mental health problems—half a million children who live and go to school in our communities. I urge you to invest in children. With a 3% increase in funding, our programs and services to help children with mental health problems can be sustained. I know that you have many pressures, but please, I ask you, particularly in these times of uncertainty, invest in the safety net our children need.

Thank you very much.

0910

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

Mr. Toby Barrett: Thank you, Mr. Moore, presenting on behalf Kinark. You described your very large catchment area—Midland, Oakville and around. There's about 86 or 87 children's mental health services. Are there any issues at all with overlap or duplication?

Mr. Peter Moore: No, there aren't. I think the 87—there is some choice for families, in terms of some, I guess you would say duplication, but very little. That's been an issue in terms of, are there shared waiting lists? We've done an analysis in some of our small communities where we can put identity codes to children and look and see if there are duplicated waiting lists. It's very little.

Mr. Toby Barrett: Good. You mentioned waiting lists. I know in my area, down in Haldimand–Norfolk, there's a chronic waiting list. This goes back decades, really. We've always seemed to have a waiting list. What is the status of waiting lists now in your service, or these other 86 or 87—

Mr. Peter Moore: Thank you for asking. We've been investing in evidence-based programs and are looking at services at the front door that can properly triage children and youth. We still have a waiting list. We've gone from a three-month waiting list to about a four-week waiting list through more effective intake programs, but we say, if a kid had a broken leg, would it be okay for them to wait four weeks to get a cast? Four weeks is too long for a family in crisis.

Mr. Toby Barrett: Do most of the services have an assessment and referral process or a case-management process that's actually working? I'm thinking from the client- or the parent-centred perspective, where they try, say, over the course of 16 years, to weave their way through the system. I certainly hear the horror stories.

Mr. Peter Moore: Yes. I think we're improving in that. The latest literature talks about navigators who can assist parents in getting through the system. It is a complex one when you cross sectors, but yes, we have a case-management system, and I think it's getting a central intake that can bring all the cases together. It's an issue in all communities and it's one that we're tackling.

Mr. Toby Barrett: Is there any valid reason why at a certain age, a young person would be switched from Children and Youth Services to the Ministry of Health?

Mr. Peter Moore: That's a huge issue, transition services, and it's one that Senator Kirby speaks about. On your 19th birthday, suddenly, you don't have this array of services—transition services and adult mental services. The step down is a big problem.

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

Mr. Tim Hudak: Mr. Moore, thank you very much for the presentation. I appreciate your kind words about my colleague Christine Elliott's proposal on the all-party committee. If you were giving advice then, through us, to that committee, what do you think their top priority should be?

Mr. Peter Moore: Like I've said, I think a 3% increase for community-based agencies to sustain the work that they are currently doing, and for that all-party committee to look at the linkages across sectors, to look at community-based services and not just the health system, and bring in education and see how mental health can work in education. A lot of Senator Kirby's recommendations have to do with school-related services. That's where all the kids are, that's where you can access them and that's where there's less stigma, so if we can teach the kids that mental health is as important as physical health and educate them about the issues and have the services accessible through the school systems—it really is crossing the sectors. I think that will be important for that committee to address.

Mr. Tim Hudak: Just something on an associated topic—it wasn't one that you presented on, but I'm curious about your opinion. The Ombudsman has asked for the ability to look at family and children's services, children's aid societies. Am I right?

Mr. Peter Moore: Yes.

Mr. Tim Hudak: But doesn't currently have that authority—

Mr. Peter Moore: I don't believe so.

Mr. Tim Hudak: Do you have a point of view, in terms of the Ombudsman's authority to look at children's aid societies if there are complaints?

Mr. Peter Moore: I'm not really an expert on the child welfare system, but I think there should be an ability to have oversight, yes.

Mr. Tim Hudak: The autism lists in Niagara and Hamilton that you had mentioned earlier in your presentation—there are no more children being added for autism services until new funding comes along. In your view, how best do we break that logjam? Is it simply a matter of more money, or is there a better way of helping these children at an early age?

Mr. Peter Moore: The issue is, currently part of the budget has been through fiscal funding and annualized funding. So we've been talking to our MPPs about the need to put the fiscal dollars into the annualized budget, and Minister Matthews has asked us to support that, and I gather that she is making that ask. We operate the autism program in the central-east region; there are a lot of kids on the waiting list. But I think that the significant issue is getting the proper kinds of supports and services in the school system. The IBI program was developed for preschool kids. We have adequate services, in terms of volume, for preschool kids, but we have 600 on the waiting list in our region. If we took out the school-aged children from that list, we would have adequate resources. So it's really looking at how the school system can be best designed to meet the needs of autistic kids within the school setting.

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

Mr. Peter Moore: Thank you very much for your time. We have a handout. Can we just distribute that?

The Chair (Mr. Pat Hoy): Give it to the clerk; he'll make sure we all get it.

HINTONBURG COMMUNITY ASSOCIATION

The Chair (Mr. Pat Hoy): I would ask the Hintonburg Community Association to come forward, please. Good morning. You have 10 minutes for your presentation. The questions will be asked by the NDP in the next round. I ask you to identify yourself for our Hansard

Ms. Linda Hoad: My name is Linda Hoad. I am a board member of the Hintonburg Community Association. Cheryl Parrott, who is a board member and chair of the security committee, will also be speaking.

We're here to speak to you about addictions. Hintonburg Community Association Inc. has been working on behalf of the Hintonburg neighbourhood for 17 years. We were founded in 1991 in response to urban pressures. We've grown from a steering committee of about a dozen people to a membership of 450. We are a volunteer organization. We've worked over the years with residents of the community, local businesses and our political representatives, as well as many staff at the city of Ottawa, to promote our area. We are just west of downtown, about a 25-minute walk from Parliament Hill. We have a number of committees: security, zoning, arts, heritage, schools, and other ad hoc committees.

We have, as an organization, continually looked for solutions to the issues in the community that have plagued us. We have advocated for and acted as a pilot area for several successful programs, such as "john school"—we have volunteered our time for the past 12 years to ensure the success of the "john school"—Needle Hunters; a task force on problem properties; landlord school; and the Hintonburg Safety Partnership. We have supported other successful programs such as "jane

school," drug court, and the rooming house response team. We have been and continue to advocate for solutions and legislative changes to ensure safety in the community, such as the safer communities and neighbourhoods legislation, SCAN legislation, which is currently being brought forward by our MPP, Yasir Naqvi.

Addictions have had a severe impact on our community as well as on other communities in Ottawa and the province. Our experience has shown us that there is a critical need for increased funding for drug treatment and supportive housing for those recovering from addictions in Ontario.

0920

Ms. Cheryl Parrott: I wanted to just give you an idea of the effects drugs can have on a community. We speak to you from 17 years of experience of living with it, so we're not experts in the field of addiction, but we are experts in what it feels like to live in a community and what the effects of drugs are. Our neighbourhood is not unique; there are other neighbourhoods in Ottawa, there are other neighbourhoods around the province, and each of our stories will be similar. It's not just our little neighbourhood.

I want to tell you how the drugs affect our neighbour-hood. Street-level prostitution, we learned long ago, is a drug issue. That's what it is; it's a drug issue. It's totally tied to drugs; violence—beatings, fights, yelling, screaming all hours of the day or night. Break and enters largely are for drug money. Smash-and-grabs—one of our police officers told us, of broken windows in cars, that a drug addict will break as many car windows as they need to get the \$20 or the \$10 for their hit of crack, so if they have to break 20 windows to get the \$20, that's what they'll do if they can only find a loonie in each car. They've followed this and see that when there's a drug house around, you get an increase in this kind of crime.

Robberies; discarded syringes and crack pipes in schoolyards, parks, residence yards, on the street; people banging on doors day and night because they've gotten the wrong house when they're looking for drugs; threats, intimidation and assaults on residents and business owners—the chaos that crackhouses and flophouses create in a community. And it happens, really, anywhere in the community. It can be the main street, it can be your residential area, in parks, schools, school playgrounds, residential streets. It really has no bounds.

We've looked at the whole issue of treatment, and what the agencies in Ottawa tell us is that there has been no increase, really, in 10 years. They've lost ground. So there have been minor increases, but they haven't kept pace with inflation or with pay equity increases so that, in fact, the treatment money is less than it was, at the end of the day. Certainly, four years ago we lobbied very hard because the Ottawa detox centre was in danger of closing and that would have been a total disaster. They don't have that many beds, but closing the detox centre would be a total disaster. As far as we know there's been no

increase. They still haven't moved to a bigger facility. It's really status quo.

We know that the need for longer treatment is critical to stop the revolving door of people in and out of treatment. We understand that sometimes the treatment programs are only four weeks. One of the representatives from drug court came to speak to our group, and he gave us this little story, which really had an impact on us, to make us understand about drug treatment. The analogy that he gave us was that we all know someone who's tried to stop smoking and how many times they've failed, and just how difficult it is to stop smoking cigarettes. He said, "Now, picture someone who not only has to stop something they're very addicted to, but they also have to change everything else. They have to change all their friends, they have to change where they live—their entire life." That's what's required of many addicted individuals who have spent years, sometimes 20 or 30 years, surviving by manipulating, conning and lying their way to their next fix. These changes can't possibly happen in four weeks. A longer investment in treatment is needed for success.

Supportive, affordable and stable housing has contributed to successful rehabilitation for those in drug and alcohol treatment. One supportive housing provider in our community quickly learned that to be successful, the average stay needed had to increase from what their initial guideline was, which was a maximum of six months, to what they now have as an average stay of 18 months and sometimes 24 months. They have been successful. We've seen the success of those long-term programs and the reintegration of those people back into our community. We've seen that with our own eyes, but we've also seen the failures and the ones who don't make it. We watched their deterioration and, for some, their death. There are people we know in our community who have died. All the time, with those unsuccessful attempts, we're left to deal with the continuing effects of the addiction in our community.

Ms. Linda Hoad: The issues of community safety and the provision of critical social services are interlinked: Without the latter, the former will never be assured. As you probably know, social housing providers, especially Ottawa Community Housing in our community, are required to house many applicants with addictions. Without adequate treatment options and supports for these tenants, they compromise the comfort, safety and security of the other residents in social housing.

We learned recently that some new funding has just been provided, across the province, I guess, and certainly here in Ottawa, for supports of this type. It is most welcome, but it's only a start on tackling the enormous backlog of need in this and, I'm sure, other communities.

The residents of Hintonburg know that, while we've been successful in engaging enforcement tools—the police, basically, and some city property standards type of enforcement—to provide relief from drugs and street-level prostitution, this is just temporary; it just moves

people around. Our long-term security depends on long-term solutions, not an endless cycle—

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

Ms. Linda Hoad: Yes, I'm almost finished.

We can't continue this endless cycle of reacting to these problems. Policing and bylaw enforcement are very expensive. We have evidence of hundreds of calls to react to problems created by drugs in our community that have cost the city's taxpayers enormous sums of money. What we need from the provincial government is stable funding in order to mitigate the endless calls for service, the overcrowding of detention centres and the waste of human lives, by providing the health care that people deserve.

Addiction is not a criminal issue; it's a health issue. We've been dealing with it in our community and, I expect, elsewhere in Ontario through the police. Effective treatment and support for victims of drug addiction is the only way we will be assured of a safe and vibrant community for years to come. We are asking you to give priority to and increase your investment in drug treatment funding and in increasing the number of affordable supportive housing units for those who are moving out of addiction, hopefully into a productive life. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you. We'll go to Mr. Prue of the NDP.

Mr. Michael Prue: Thank you very much. Yours is a most unusual presentation because you're not asking for any money for yourselves. As I listened to you, I wondered, where was the ask? The ask is for, as I wrote it down, additional agency money—there was some problem in the past with the Ottawa detox centre—and supportive housing. How much money do you think would be necessary in the Ottawa area in regard to these? We are a finance committee; we deal with numbers. Any idea of what you're looking—

Ms. Cheryl Parrott: Not really. That's not our area of expertise. Certainly what we know is that whatever we have has not been working. What we've been told is that there has been an effective decrease because the amount of money that has come over the past 10 years has not kept pace with inflation. Certainly, four weeks of treatment is not enough, so anything is going to be better than what we have. Really, the investment needs to be put in at that point as opposed to the end point.

Mr. Michael Prue: In terms of supportive housing, do you know how many units there are in Ottawa or how many more you might think are needed?

Ms. Linda Hoad: I would suggest to you that we need more units for sure, but we also need more supports, more workers to assist those who are already living in social housing. There are serious issues caused by people who are suffering from addictions, multiple addictions in many cases, who are already housed but not well housed or at least not housed in a way that can be sustained. They bounce from one place to another. We know some people have been removed from housing in one housing

community, and they turn up in another housing community. Their problems haven't been addressed, and they will not become successful tenants. So it's both additional units and more supports for those who are already in social housing and in private housing, as well. Private landlords have issues with people with addictions. We don't have the numbers. I noticed that the Somerset West Community Health Centre will be addressing you later this morning. They are actually in our area; they serve our area and they may have more statistics for you.

I know the housing waiting list in Ottawa is around 5,000 families. Not all of them, obviously, would be needing supportive housing. I'm sorry, I don't know what the shelter populations are because many of the people in shelters are now being—the social housing agencies are being asked to house them.

0930

Mr. Michael Prue: In terms of the Ottawa detox centre, you said they came perilously close to having to close. Are they still that perilously close to closing or do they have sufficient monies?

Ms. Cheryl Parrott: I think it's sort of status quo at this point. They were to move into the new Royal Ottawa health facility, but when they were getting close to moving there was an issue with them moving in there and it was not really clear what was happening with that. At this point, it is. But I think, for the people who were running the Ottawa detox, the Sisters of Charity, it became so expensive to run it—they weren't getting enough money—that they finally said to the government four years ago, "That's it. We're not doing it any more." It was taken over by someone else, even though they're still in the same facility, but it should never have come to that point, where they said, "We can no longer do this." That should never have had to happen. And they do need an expansion of beds, which has not happened yet.

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

CITIZENS WITH DISABILITIES-ONTARIO

The Chair (Mr. Pat Hoy): I would ask the Citizens with Disabilities—Ontario to come forward, please. Good morning. You have 10 minutes for your presentation. There will be up to five minutes of questioning from the government this time. I would just ask you to identify yourself for the purposes of our recording Hansard, and then you can begin.

Mr. Terrance Green: Okay. Good morning. My name is Terrance Green. I'm the chairperson of Citizens with Disabilities—Ontario. We are a relatively young organization but we do represent approximately 2,500 members across Ontario from a cross-disability perspective. Our objectives are to assist and advocate on behalf of persons with disabilities in social development planning and in all aspects of the lives of persons with disabilities.

I did pass out notes—oral submissions. They are quite lengthy and I don't think there's any way that I could get through that document in 10 minutes. I am going to abbreviate, basically, what I have to say, but we will submit detailed written submissions in January, as per your deadline, on specific subject matters, if you would like, that you identify to us today.

Persons with disabilities are, according to Statistics Canada, the poorest of the poor. Persons with disabilities have difficulties in just about all areas of community life. Accessible transportation is extremely limited—Para Transpo. In any community you go to in Ontario there are long waiting lists, there are delays in getting rides that are accessible; and the ministry of this government as well has donated vans to health units, but these vans are not accessible. Seniors and persons with disabilities living in homes, even getting to medical appointments, do not have access even to the transportation provided by the current government.

Attendant care for persons with disabilities is limited. There's very seldom enough attendant and care provision for persons who require attendant care. We strongly encourage the government, as a cost-saving measure, to go to direct funding and work with persons with disabilities to provide the care through attendant services that are needed.

Each one of the points identified in our oral submission we consider to be vital areas where persons with disabilities in this province do need support and assistance: education, personal care, transportation, affordable housing—and the list goes on.

Rather than taking the balance of the 10 minutes to try to point out specific issues, since we do consider all of the issues priorities, I will allow more time for questioning and hopefully be able to help answer some of the questions of this committee so that persons with disabilities may be able to get some of the support that's desperately needed.

Mr. Michael Prue: Mr. Chair, I would seek unanimous consent to allow additional questioning to take up the full 15 minutes. It seems the proper thing to do.

The Chair (Mr. Pat Hoy): Are we agreed? Agreed. Did you want that divided, Mr. Prue?

Mr. Michael Prue: No. There are enough members on the other side to ask any number of questions.

The Chair (Mr. Pat Hoy): I guess we're agreed on that.

I'll just explain to you, sir, that normally we only have five minutes for questions and you're giving up your time for questions, which is unique, so I have to get permission from the committee to waver from our normal situation. But in that regard, the questions will come from the government side and Mr. Arthurs.

Mr. Wayne Arthurs: Mr. Green, thank you so much for being here this morning.

Interruption.

Mr. Wayne Arthurs: I'm going to wait for the—

Mr. Terrance Green: It's difficult to compete with the sirens.

Mr. Wayne Arthurs: It is. At any given point, that's always a challenge. I know in some communities, if there's a fire truck going by with those firemen on it, all the women on the street will stop and have to check them out.

Mr. Terrance Green: That demonstrates a little bit some of the problems that persons who are deaf are having in this community. It is extremely difficult to communicate when hearing is an issue.

Mr. Wayne Arthurs: Probably many of the members around this table will either have a family member or a close friend who has a disability that's readily identifiable. I would be among those with a family member who has a significant hearing problem, so I can be particularly sensitive to the demands and needs that occur, as many of us would be and are. It drives it right home to us.

I'm particularly interested, though, in the comment you made around direct funding. Direct funding is an issue that I've heard a lot about over the years, more particularly from the developmental services sector—again, individuals with disabilities; a different form of disability—this matter of being able to provide funding directly to the families or the individuals so that they can have the opportunity to direct the care and support and services they need, as opposed to always being dependent upon agency funding models. From the standpoint of your organization and as an individual with a disability, can you take a bit of time and tell me a little more about how you would see it being advantageous to have more opportunity on a direct funding model?

0940

Mr. Terrance Green: Our organization is looking more at direct funding for persons with disabilities who desperately need an attendant to assist them with personal care issues, for cooking, for housekeeping—basically, to enhance the individual's ability for independent living.

We see direct funding as being an opportunity for those individuals to have better control over their own lives, to be able to bring in the people whom they need at the time that they need them, and to be able to govern the financing for the direct care that the individual needs.

There are a number of models over time that have been tried. One was community living, where individuals in independent living centres had attendant services provided 24/7 in the home. Many of these community establishments are closing because the funding for the agencies to provide the attendant care services that are required just isn't there. The individuals who were doing the best they could for independent living and living in the community centres are now being forced into nursing homes, some into hospitals and some back with families where there just isn't the support network, for various reasons, that individuals require.

We see direct funding as giving the opportunity to individuals to be able to enhance their life and to become more productive and more involved within their own communities. **Mr. Wayne Arthurs:** Mr. Chair, Mr. Brownell and Ms. Aggelonitis both have a question.

The Chair (Mr. Pat Hoy): Mr. Brownell will now ask a question.

Mr. Jim Brownell: Thank you very much. I did go over the sheets that you provided here, the documentation. Your recommendation 3 relates right to a comment that you made about accessibility with regard to transit and vans etc. I come from Cornwall and represent Stormont–Dundas–South Glengarry, and we have Handi-Transit in the city of Cornwall. It provides great supports and access to those who need wheelchair accessibility etc. This \$1 billion that you have included in your recommendation here—what level of support would that give to communities, and would that cover all the communities that now have public transit? I'd just like to know what level of support that would give, if your organization and whoever put this together put \$1 billion in there. What level?

Mr. Terrance Green: That is the best guess that we have been able to come up with and that's intended to help reduce the wait time for persons requiring accessible transportation. In the Cornwall area, your services are actually, from what I'm hearing, very good, and you're to be commended for that in your community. The wait times in Cornwall, however, are still quite long. We would like to see the wait times down to, if possible, maybe an hour instead of—in some communities, the wait times are four, seven and 10 hours. In Toronto, even with the service that they are providing, wait times can be in excess of four, four and a half hours. In Ottawa right now, it's an extremely difficult situation with the OC Transpo strike, because many persons with disabilities in wheelchairs would use the low-floor buses of OC Transpo, but now they're forced onto Para Transpo and Para Transpo is limiting transportation in the city to medical conditions and medical appointments only. Persons with disabilities who need to get out for grocery shopping and, at this time of year, for Christmas shopping etc., just can't get it. The wait time for them is at least until the strike is over, which to me and to persons with disabilities is just totally unacceptable. Persons needing food and depending on Para Transpo to get them to the grocery store in this city, as an example, under the extreme conditions that are here at this particular time, can't even get out to buy food.

So the billion dollars that we're identifying is hopefully going to improve accessible transportation, minimize wait times to a time that—an hour is still long, but at least, taking today as a measure, an hour is a lot better than four or seven hours, which is the case in most communities in Ontario.

The Chair (Mr. Pat Hoy): We have about a minute and a half left. Ms. Aggelonitis.

Ms. Sophia Aggelonitis: Thank you very much, Mr. Green, for coming here today. You have a very cute dog.

Mr. Terrance Green: Thank you.

Ms. Sophia Aggelonitis: There are a couple of things that you mentioned that I wanted you to just give me some clarification on. So I have two questions.

One, you mentioned that the vehicles that are available are not accessible. What did you mean by that?

Mr. Terrance Green: What I'm specifically referring to there is that the Ministry of Long-Term Care has donated 100 vans to the local health units to provide transportation to seniors and persons with disabilities. These vans are not accessible. They do not provide any mechanisms for a person with a wheelchair, as an example, to get into the vans. They do not provide the facilities for somebody with extreme arthritis or using a walker to be able to get into those vans. Your government is to be commended for even donating 100 vans to the communities, because they do provide some transportation for some people, but they certainly do not provide accessible transportation for people who most need the transportation.

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

Mr. Terrance Green: I believe she had a second question. Could I—

The Chair (Mr. Pat Hoy): Our time has expired.

Mr. Terrance Green: I do apologize that I can't answer your second question.

Ms. Sophia Aggelonitis: That's okay. Thank you very much for being here.

Mr. Terrance Green: Thank you for the time.

KINGSTON COMMUNITY ROUNDTABLE ON POVERTY REDUCTION

The Chair (Mr. Pat Hoy): Now I call on the Kingston Community Roundtable on Poverty Reduction to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning; it would come from the official opposition in this case. I ask you to identify yourselves for our Hansard.

Ms. Alice Gazeley: My name is Alice Gazeley. I cochair the Kingston Community Roundtable on Poverty Reduction. Thank you for this opportunity to address the committee.

The Kingston Community Roundtable on Poverty Reduction is a group of 24 people who, in collaboration with our city council and staff and the Kingston community, are determined to reduce the number of its residents living in poverty. The group reflects a cross-section of the community: social justice advocates—a broad age spectrum—social agency service workers; people from the educational, business and labour fields; faith communities; and people who have direct experience living in poverty. The round table resulted from a recommendation of our mayor's task force on poverty reduction. We held our inaugural meeting in January 2008. So, you see, we're a fairly young group. With me, to share my time, is Zaineb Zimmerman, a member of the round table who has direct experience living in poverty, and she's going to share some of her life struggles.

0950

Ms. Zaineb Zimmerman: Good morning. A few years ago, I had a wonderful career at Queen's University, complete with benefits. I was confident and independent. I thought things would only get better, and I was so very wrong. I married and relocated to the US in support of my husband's career. We had a child and, shortly after, family life deteriorated. I was able to get out and move back to Kingston with my young son in tow. We first moved in with my mom, then on to a shelter for abused women and children out of concern for our safety and well-being. I found myself parenting in a time of crisis, coping with shelter life, police matters, family court, social assistance and homelessness. I was in pure survivor mode, a place I never, ever dreamed I would visit, let alone live. Rebuilding from that horrible experience is no easy task. Even now, two and a half years after leaving, I'm still in transition and I'm one of the lucky ones. I was able to secure guaranteed income housing, but thousands of others remain on waiting lists.

Another fortunate turn of events was employment. An opportunity to work part-time presented itself from the volunteer work I'm doing. It's contract work with no benefits but it's enough for me to be weaned off Ontario Works. In three months, I'll be limited to my part-time job with no benefits and an uncertain future.

It's not that I'm not willing to work to my full potential. It's really a matter of child care. There are no spaces for subsidized child care, only lengthy wait-lists. With a small child and limited resources, you can see what a barrier this is for me and thousands of other parents alike. Even before- and after-school care is virtually non-existent.

What I've shared with you today is just a sliver of one story of one single parent's struggle. What is far more frightening is the thousands of Canadians who will learn first-hand just how hard it is to live with so little.

As we face these daunting economic hardships, it's so important to remember that the numbers represent people, people who are in need of opportunities to learn and grow and rebuild. Please do your very best.

Ms. Alice Gazeley: I begin by noting that the Sisters of Providence of St. Vincent de Paul and their supporters have been keeping a weekly silent vigil in front of Kingston's historic city hall since 1995, when the previous provincial government cut social assistance by 22%. Over these 13 years, poverty in Kingston has worsened.

At the January 2005 pre-budget consultations, the Sisters of Providence reported that although many Ontarians had enjoyed 10 years of sustained economic growth, low-income families had watched their earnings stagnate. Quoting from their presentation of four years ago: "If things" are bad and "got worse in good times, what will happen to our most vulnerable neighbours when the next recession hits, as surely it will?"

That predicted downturn is now upon us. Now is the time to invest in the proven poverty reduction programs that will help our low-income neighbours.

The stimulus package needed to kick-start Ontario's struggling economy must be rooted in exactly the investments needed to reduce poverty: Put money in our social infrastructure—affordable housing and child care—and invest in livable incomes needed by low-income Ontarians so that everyone is shielded from the brunt of the recession. I will speak to each of these in turn

Housing: Last week, the CMHC reported that Kingston's rental vacancy rate had dropped to 1.3%, the lowest level in six years. This is half the Ontario average. What's more, the CMHC found that the sharpest decline in vacancy rates was in units suited for parents and children—two- and three-bedroom units.

In tight markets like Kingston's, and without stricter rent controls, housing allowances can inflate rents, placing further stress on people least able to afford decent shelter. The waiting list for rent-geared-to-income housing in Kingston is hovering between 900 and 1,000 applicants. A recent report by the Queen's School of Urban and Regional Planning for Kingston's social planning council showed that a stunning 48% of Kingston tenants spend more than 30% of their household income on housing. This level of precarious, unaffordable housing is even higher than the average for Ontario. It has also been virtually unchanged in the five years of strong economic growth between 2001 and 2006.

The round table on poverty reduction urges the government to get back into the business of building social housing. This is expensive, but in a province in recession it is what Ontario's poverty reduction strategy calls smarter government. Construction generates huge local and regional spinoffs: jobs, building materials and appliances. This is a standard counter-cyclical economic measure. It makes good business sense at a time when construction costs will be going into decline because of the recession. It puts people to work while offering desperately needed shelter to low-income people.

There is no time to waste. Comprehensive housing repair programs are shovel-ready. Housing providers can also enhance energy efficiency. New housing construction projects take time because of planning and design factors, understandably. Rather than wait for Minister Watson to start an affordable housing review next spring, we think that the government should launch an immediate comprehensive social housing plan aimed at repairing existing stock and then commit, when the review is in, to building units throughout the next five years. We must also adhere to the principle of involving both low-income people and non-profit providers in these programs.

Child care and early education: Ontario has taken a step forward with its poverty reduction strategy, particularly regarding its emphasis on child poverty. Our round table supports every possible effort in this direction, but we also support the 25 in 5 coalition's emphasis on establishing a comprehensive child care and early education system that will allow more low-income people, particularly women, to participate in the labour market.

One of our round table members who is a coordinator of the Kingston, Frontenac, Lennox and Addington children and youth services steering committee, which is a group of about 30 agencies, expresses two concerns.

First, child care fees are bankrupting families in Ontario. Fees range from \$45 to \$60 a day on average. Furthermore, many families qualify for provincial subsidy, but there are not enough spaces to meet the need. Without appropriate child care, parents cannot work, study or participate in community.

Secondly, Best Start funds have been used to expand provincial child care, preschool speech and language, infant development and healthy children, all of which are early intervention programs. These Best Start funds were from our previous federal government and administered by the province over the past three years. The fund will be depleted in 2009-10. What government will step forward? Child care is definitely one of the pillars of poverty reduction.

The Chair (Mr. Pat Hoy): You have less than half a minute for your submission.

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Ms. Alice Gazeley: Okay. I'll move then to income security. The fastest, least complex and easiest way to help the most vulnerable is by increasing both social assistance and minimum wage. This boosts local economies because money in the pockets of our poorest citizens will be spent quickly and locally. We need an initial down payment on poverty reduction by immediately moving towards livable incomes.

In conclusion, the provincial poverty reduction strategy plan is a call to action to all levels of government, to all parties in our provincial Legislature and to all sectors of every Ontario community. It's a call to ditch the silo approach and replace it with collaborative, focused action. We in Kingston are determined to do our part to support this initiative, this first all-important step. We look to the provincial and federal governments to do their part.

We thank the committee for its long days of travel to listen to what we all think about the state of our economy, especially at this difficult time. Investing in housing, child care and income support not only reduces poverty, but it also makes good economic sense and certainly makes sense to our most vulnerable neighbours. Poverty reduction must become central to the next five provincial budgets.

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

Mr. Tim Hudak: Thank you very much, Ms. Gazeley and Ms. Zimmerman. Thank you for your presentations and for your personal story as well. It's not easy to do in this kind of formal setting. We appreciate that you took the time to do so.

We've heard, as we've travelled across the province, concerns from some sectors with respect to minimum wage—agriculture, the hospitality sector, which hire a lot of people at lower wages to start out with and try to move them up the ladder—that higher minimum wages will

cause a displacement, that while some people will have higher pay, others will lose their jobs altogether. What's your view on that impact?

Ms. Alice Gazeley: Do we have any evidence to that effect?

Mr. Tim Hudak: If the groups were here, they would say, "Certainly"—

Ms. Alice Gazeley: That there was evidence that if we raised the minimum wage, others will be dislocated?

Mr. Tim Hudak: In fact, they cited a study commissioned by the government, by Professor Gunderson, I think from U of T, that did say that, that a significant increase in minimum wage in a short period of time would cause dislocation.

Ms. Alice Gazeley: I think that's true, but there has been a gradual increase and a continually gradual increase. I think the way to go is with the gradual. I think that's the key because we can only do what our economy will bear at a certain time. But there are arguments, if you wish, for—as you or I would go into debt to, for example, mortgage a house or car or whatever, there are some arguments that debt can be good, again, on reasonable and gradual and so on—but no, I don't think you can do a large jump, but you certainly can make a gradual move toward it.

Mr. Tim Hudak: I think we all share the goal of helping people out of poverty by ensuring they can find a well-paying and secure job in the workplace. What are the best tools that you would recommend to the committee, in terms of helping folks make that leap from assistance or, those who are on disability, into the workforce?

Ms. Alice Gazeley: Zaineb is jumping at this.

Mr. Tim Hudak: Yes, please.

Ms. Zaineb Zimmerman: Thank you. I sort of touched on it a little bit, that child care is a huge barrier. Transportation, the ability to get to employment opportunities or even training, is a challenge when you have next to no income. Child care is a huge issue. Many people want to work. I'm willing to work, but 9-to-5 jobs are next to—other than office work, and thankfully that's what I do, it's really a challenge.

There may be private child care facilities available, but do they meet the standards? Is the parent comfortable with it, and besides that, can you afford it with minimum wage as it is and, in particular, with many jobs offering no benefits? To put so much of your income—I'm fortunate, as I say, because I am geared-to-income, but if I was paying market rent, there's absolutely no way that I would be able to manage. I'm very fortunate. I think of all those who are not so fortunate. There's only so much geared-to-income housing to go around.

I think that, first and foremost, people need a place to live, to call their home, and from there they can really start rebuilding. Child care is essential, though. It affects single- and double-parent families; it really does. It's a huge barrier, a huge concern. Those early years are formative years for our children, and they're our future. So I think an investment in that just makes good sense.

Mr. Tim Hudak: The other groups have talked about moving from social assistance into the workforce. If you leave social assistance, there are certain basic medical benefits you have that you lose when you enter the workforce. Is there advice you would have in terms of easing that transition to help people climb the ladder?

Ms. Alice Gazeley: I'll let you go through that, too.

Ms. Zaineb Zimmerman: It's daunting; it is. That's what I'm in right now. I have three months to go and then I'm on my own. So maybe employment standards—maybe there needs to be a review of very basic, minimal plans that need to be included. I think of dental care that I received with the help of OW for my son and I. I wouldn't have been able to afford the hundreds of dollars of work. In three months' time, I'm on my own. I have sleep apnea and I need a CPAP machine. That's \$1,800. So if I'm able to fit that in before I lose OW, I'll have some help. Otherwise, how would I manage to do it?

Again, I really want to stress to the committee that you need to be mindful that they're people that we're talking about. The stereotypes and stigma that are associated with poverty—people really don't choose to live with much less; they really don't. There are a lot of people who, given the opportunities and invested in the right way, would jump at the chance to work. They really would. There's a will.

Mr. Tim Hudak: Okay. Thank you.

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

Ms. Zaineb Zimmerman: Thank you very much.

ALLIANCE TO END HOMELESSNESS— OTTAWA

The Chair (Mr. Pat Hoy): Now I'd ask the Alliance to End Homelessness in Ottawa to come forward, please. Good morning. You have 10 minutes for your presentation. There might be up to five minutes of questioning coming from the NDP in this rotation. I'd just ask you to identify yourself for our Hansard recording.

Mr. Perry Rowe: Good morning. My name is Perry Rowe. I'm the chair of the Alliance to End Homelessness here in Ottawa. I'm also the executive director of the Salvation Army Ottawa Booth Centre, which is a multiservice facility in the downtown core of Ottawa.

Thank you for the opportunity to come and speak with the committee today. You have in your hands a copy of our submission as well as a copy of our 2007 report card on homelessness in the city of Ottawa. The 2008 one is in the process of being finalized, and as soon as the calendar year is complete and the final numbers are in, we intend to release that, probably at the end of March. As we did last year with the committee—we presented in Kingston last year—we would be pleased to forward the 2008 one directly to the committee as well, because there is definitely lots of information in there that can be used.

In our submission today, first of all, there are a number of things that we will reiterate that have already been said today. The interesting thing: When we presented our report card in March of last year to the public in Ottawa, one of the statements that was made by Dr. Tim Aubry, from the University of Ottawa, was that homelessness is really the face of poverty, so you can't separate the two. Our organization, which represents about 70 different agencies within the Ottawa area that deal with homelessness, the prevention of homelessness and people at risk of becoming homeless, does collaborate quite a bit with other poverty-related groups because you can't separate the two.

Just to give you an idea of the realities just in this community alone in 2007: At the very beginning of our submission, we show a number of things that have taken place. The women's shelter in this community, known as Cornerstone, is located in a portion of the city in an older house. Each night, they are full; they take a full number of 52 women and quite often have a number of women sleeping on couches.

The three men's shelters—the Shepherds of Good Hope, the Salvation Army, and the Ottawa Mission—have people sleeping on floor mats every night. This started at a point in the year before the economic downturn was recognized. At one point this fall, we had 150 individuals, adult men, sleeping on mats within the shelters in the Ottawa area.

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The number of families in the family shelters has significantly increased. Last year, we saw that it took an average of 42 days to find housing for families. The last I heard is that there have been about 30 motel rooms in play, besides the family shelters, in the Ottawa area each night for the past little while.

Our housing support workers experience delays and problems in finding affordable and safe housing that homeless families and individuals can move into. Over the year, about 30% of those we have in the shelter system are what we would define as chronic homeless. We define chronic homeless in this community as having spent more than 60 days in a calendar year in a homeless shelter. In many of those chronic homeless situations, it has been a lot longer that 60 days. So over 30% of those men and women fall in that category. Tomorrow they could be placed into housing, if it was available, with the supports surrounding them, and they could be housed in a much less expensive manner than an emergency homeless shelter.

We've also given you, as I said, a copy of the report card. The next section in our presentation deals with the numbers in the report card. I'm not going to go through them one by one, but the staggering number in 2007 was the 8,900 individuals who used homeless shelters in this city, one of the most affluent cities in the country. We also had 1,237 children in homeless shelters. So the numbers are staggering and cannot be ignored.

The Alliance to End Homelessness, along with a number of homelessness prevention agencies and poverty agencies, has a number of recommendations that we would like to put forward to you, and they are laid out in our presentation. So I'd like to walk through those this morning in the time that we have left.

The first recommendation is to have substantially increasing public investment in affordable housing, with new funds in the 2009 budget as part of the overall economic stimulus package. As the previous presenter said, we are looking at ways to stimulate the economy. We are looking at packages for the auto sector. We are looking at this for other sectors. The construction sector would certainly be stimulated, as the previous presenter said, if additional affordable housing was put in the budget and moved forward. It multiplies, as that previous individual said, into all of the other pieces that help create that affordable housing. New money for affordable housing is a priority in a recession. It's easy to say, "Well, we can't do as much as we would have liked to do because we're in hard times." Honestly, we're paying for it one way or the other. The most expensive way to pay for it is to have people in the emergency homeless shelter; not only paying for it in the price of the dollars that it takes to support them, but in the lack of dignity, in the loss of respect for themselves and the various things.

We made a comment about the sirens a few moments ago. As I said, I'm the executive director of the Salvation Army just a few blocks from here. Let me give you an example of what it costs when we hear a siren. For a lot of people in the city, it has become background noise. In a lot of cases when you hear it in the downtown core, they're probably heading for one of the homeless shelters. Because of the lack of understanding of the individuals who are in the homeless shelters and because of the high rates of addiction and mental illness, the standing order at one time in this city was that if you got a call from a homeless shelter, four cruisers responded. What a waste of resources, when we could have been housing those individuals with supports, and we instead chose to have them in homeless shelters and being dealt with by police, the health care system and so on.

Our second recommendation is to act on and fund poverty reduction in 2009. Go beyond what the initial cut would have been to invest in the poverty reduction strategy. The investment that goes into that will pay off in spades, not only, again, in stimulating the economy, but in reducing the cost right now of keeping people in poverty.

Again, the rest of our recommendations are shown in there.

One of the final points I want to bring to you is around the vacancy rate that was just noted in the city of Ottawa. One of the strategies that the task force or the table on homelessness was looking at was the ability to utilize even some of the private housing stock and their ability to deal with the chronic homeless population. Our vacancy rate was just pegged at 1.4%, the lowest in the province and the lowest it has been in many, many years. Our fear, particularly at this end of the province, is that that's going to be devastating for individuals who rent from the private sector. A study that was done through CHEO a number of years ago and presented at one of our

forums showed that there were roughly 60,000 families who were on the brink or living on the edge in this city, who were one tragedy, one small paycheque, away from going into—and if that hits the homeless population, we're just not going to be able to deal with the situation. We're going to be overwhelmed. We, as agencies, no longer want to manage homelessness; we want to help solve it.

I'll leave it at that and thank you and welcome your comments or your questions.

The Chair (Mr. Pat Hoy): The questioning will come from the NDP's Mr. Prue.

Mr. Michael Prue: Thank you very much for your presentation.

I was watching the news this morning and I saw something I never thought I would see in my life: the finance minister of Canada, Jim Flaherty, who used to be in the Legislature with us, talking about running the biggest deficit in Canadian history in the next budget.

Having heard that, what recommendations do you make through this committee to the minister in Ontario? Should we be considering running such a large deficit?

Mr. Perry Rowe: I think, as the previous presenter said, sometimes deficits are unavoidable and sometimes they are necessary to get things jump-started. If we have to look at that, I think it should be on the table. Certainly, we don't want it to be looked at in such a reckless manner that we just throw it around as if we've got money to burn. But I don't think anybody would fault any government at this stage of the game, to help stimulate the economy, for looking at running a deficit, as long as it's being used for the right things. As we've said, if we're investing in the right things that are helping to stimulate the economy, that are sustainable and long-lasting, which in this case affordable housing certainly is, then nobody is going to fault them for doing the right thing.

Mr. Michael Prue: We had three economists who came before the committee at the start of deliberations several weeks ago. All three of them agreed on the two best ways to stimulate the economy. One is construction costs and building affordable housing and infrastructure in cities, that kind of thing, things that were shovel-ready; the second one is to give additional money to the poor, who would then spend the money almost immediately and stimulate the economy. Do you agree with those, or do you have anything else to add?

Mr. Perry Rowe: We'd certainly be in agreement with the second part of that, particularly when it comes to low-income individuals being able to have affordable types of income. The previous presenter talked about—and the question was asked around income security and whether you're talking about minimum wage or whether you're talking about OW rates. Those are the types of things that certainly need to be looked at. But at the beginning of most of those is just to get them at a liveable rate so that they can afford the basics of life, let alone being able to afford to spend extra to stimulate the economy. I think it's a necessary thing, but I don't think we're going to generate huge amounts into the system

because people are just going to be buying the basics of life. That's the unfortunate part of where we are in this province, that at the OW rates, at the rates that we have for ODSP—it's not a liveable rate for people to survive on. For many of them in this city, you're looking at them spending, in some cases, 75% of their income just for rent in a private market. There's such a lack of affordable housing that some of them have no choice but to go to the private market.

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

Mr. Perry Rowe: Thank you for your time. **1020**

COUNCIL OF ONTARIO UNIVERSITIES

The Chair (Mr. Pat Hoy): Now I'd ask the Council of Ontario Universities to come forward, please. Good morning. You have 10 minutes for your presentation. The government will be asking the questions in this rotation. I would ask you to identify yourself for Hansard.

Dr. Paul Genest: Terrific. Thank you very much. My name is Paul Genest. I'm the president of the Council of Ontario Universities and I'm appearing together with my colleague and friend, the president of Carleton University, Dr. Roseann Runte. I really appreciate this opportunity to appear before you. Your responsibility is grave and serious in these times that we're facing.

My presentation is going to focus on two things. One is the imperative of creating jobs, particularly creating jobs in the knowledge economy; and the second aspect is to focus on protecting jobs, and steps that we should be taking now to protect jobs in the higher education sector for the benefit of our students and the future of the economy.

In this global knowledge economy the advantage goes to countries that are innovative, productive and technologically savvy. In other words, it goes to those that are investing heavily in the skills and education of their citizens. Ontario needs to compete in this area. We know that 70% of new jobs will require a post-secondary education. I think we also know that our graduates from Ontario universities touch all aspects of our lives. They teach our children, they treat our families, they run and improve our businesses, they supervise our networks, they create our artworks and cultural activities, they manage government programs and they produce cuttingedge research. Around the world, developed countries and emerging economies have recognized that investment in education is critical to their future. As a result, they are investing heavily in their universities to expand access and drive innovation.

I would like to acknowledge that the government of Premier McGuinty has certainly recognized the importance of universities and taken major steps to advance this cause since first elected in 2003—really in both mandates. In the last mandate, they advanced the \$6.2-billion Reaching Higher plan, which was the largest post-secondary investment in Ontario's history. It has been a

tremendous success. It has expanded access, and it has provided support for 14,000 more graduate spaces, which is extremely important. Ontario has lagged behind other parts of the world—the most competitive economies—in terms of the number of MAs and PhDs that we've been producing. These investments have been really, really important and they have made a major difference.

We all know that these are extremely challenging times—extraordinary times. Budgets everywhere are under tremendous pressure. We're having to cut our own budgets and exercise serious discipline at that time. We know you have the same responsibility. At the same time, we know that economists across the world—everyone seems to be a Keynesian at this particular moment. The consensus is overwhelming. As remarked by Mr. Prue a few minutes ago, the federal government is also recognizing this and recognizing that we need to move and we need to move urgently on stimulus.

What I'd like to put before the committee, for your serious consideration, is where you could provide some direct stimulus in the near term in the post-secondary sector. I would presume to speak for colleges as well. I represent the universities, but the problems are similar across the sector.

The quick-start infrastructure that I'm talking about is the issue of deferred maintenance on our campuses. Some of you may recall that when I spoke to you last year we made a pitch in our pre-budget submission around deferred maintenance. The AG had recognized we had some \$1.6 billion in a backlog of deferred maintenance. This is about new roofs, about new boilers, about building retrofits, about higher-efficiency HVAC systems. It's not glamorous stuff. It's stuff that it's very hard to get philanthropists to put forward—nobody seems to want their name on a boiler. I don't understand that, but these things are vital. The boiler goes—you've got to replace it. That is why we look to government and our publicly funded system.

Last year, the Ontario government and Minister Milloy acted impressively on our request to begin addressing this backlog: \$335 million was dedicated to campus renewal in Ontario's universities. This has made a great dent in the backlog, but I want to put it forward to you again this year with a new urgency. These are, by definition, Quick Start projects. They've been identified. The specs have been laid out and you can go very quickly to tender. By contrast with major infrastructure, which I'll say something about in a second, this is something where you could get the work happening now. Costs of materials are going down and commercial construction and housing is slowing down, so in all of the communities where you have colleges and universities you could get stimulus. You could get it happening now and you could get, within eight to 12 months of committing in a budget, the work started and the work completed. It absolutely satisfies the economists' recommendation for juicing the economy.

One of the benefits of this, of course, is that it also fits with our greening ambitions. There's a lot of retrofit that can be done here. New retrofits for buildings that are over 30 years old are urgently needed. It also leaves a legacy. It improves the research environment and the teaching environment. So it's a triple hit, I would argue. It leaves a legacy that'll make Ontario more productive in the future.

We're recommending that the Ontario government dedicate \$500 million this year to Quick Start campus renewal. We realize this would likely add to a deficit, but it's stimulus that's urgently needed.

The second point I'd make is in a similar vein, and this is with a view to sustaining that impetus to the economy. MTCU and the Ministry of Energy and Infrastructure have, for six months, been pulling together with us an inventory of all the priority projects at all the universities and colleges in the province. You have this basket of priority, well-planned projects that support the growth that's coming in the system—and the growth is going to be close to 100,000 students in the next decade, so we know we want to accommodate them. We know we want to continue supporting cutting-edge research. It would send a tremendous signal if, in this budget, there was a commitment as well to that long-term infrastructure build. You don't have shovels in the ground in April, necessarily, on some of these, but this is about sustaining that investment that you could start making on the deferred maintenance.

I'm going to throw out what you might think is an extraordinary number: \$2 billion. Just to put it in perspective, MTCU is anticipating that about \$9 billion needs to be spent over the next decade to accommodate the growth and the research and innovation needs. So let's make the commitment now, when it's urgently needed. You'll send a fantastic signal to markets, the business community and to communities all across this great province of ours.

That concludes my comments about creating jobs. It's very much about creating jobs in the knowledge economy: new industries, digital media, nanotechnology, biotechnology. This is where Ontario's future is going to be, as we see manufacturing declining. So those investments we are recommending at COU would support that.

The theme of protecting jobs: The Reaching Higher plan, as powerful as it was—it's a simple fact that you'll find in the budget documents—flatlines this year. I think the government was planning to have it overlap with a second plan. Because of the financial circumstances, the government has made clear to us that it's not possible to have that overlap situation. We're flatlining this year. Costs are continuing to go up. They're going up 5% a year, and there is a hole that needs to be filled.

The market meltdown has meant we've had a hit on our endowments as well, to the tune of \$180 million across the province. The total of the budget gap of \$270 million and the endowment hit is \$450 million. I know it's painful to signal that to you, but it is the reality that we're dealing with. We are not asking you for help to deal with the endowment situation. Those endowments are supporting bursaries and chairs. We need to find a

way to continue those commitments. We are asking for help for the operating gap. So, on that score, COU is requesting that the government support bridge funding until we can get to that new Reaching Higher plan of \$270 million. I know it's a lot, but if we don't have that, this means we're going to have to cut faculty, lab technicians, support staff, library staff in order to make it up. That means job losses in every one of those communities that we know we have a higher education institution in.

The last point concerns—

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

1030

Dr. Paul Genest: Thanks. I'll be really efficient, here. Pension plans: The meltdown has impacted our pension plans as well. I'll start by acknowledging what the government has done this week. That has helped us to the tune of about 20% of the burden. The burden we're facing right now is going to be in the order of \$560 million year over year, if we were to have an actuarial assessment done today. So it's really serious. Some of the universities would have to close. We're not asking you for money here; we're asking for regulatory relief. We plan to continue working closely with the Ministry of Finance to devise that. They have been responsive and they moved smartly this week, which is very helpful. More progress needs to be made, and we're looking specifically for relief on special payments, on those pension plans, allowing markets to stabilize and work on a longer-term structural plan.

That brings it to the end. I hope I kept within my 10 minutes, Mr. Chairman.

The Chair (Mr. Pat Hoy): The questioning will go to the government; Mr. Arthurs.

Mr. Wayne Arthurs: Well done, Dr. Genest. Thank you so much for being here—both of you—this morning. We much appreciate it.

I want to focus primarily on your comments on the Quick Start infrastructure, comments around the declining material prices, the freeing up of labour because of the slowing economy, which obviously would be a concern in another setting where, if prices were high and the market was hot everywhere, it would drive prices up.

I want to go from there into the issue of the green economy. As we transition ourselves from where we are to where we're going to be, obviously universities have been leaders in that in preparing young people to take us other places. What are the opportunities, as you see them, for us to use this Quick Start infrastructure opportunity within the settings of universities and colleges for green economy initiatives? What are we going to be able to learn from that as we come out of this era and position ourselves more broadly in the economy and set the stage for opportunities for public and private sector—outside of those institutions of higher learning and research?

Dr. Paul Genest: That's an excellent question. I think what we have here—because there is the slowdown happening in other parts of the economy, and where we

have the opportunity to restore some of that investment and activity, the universities are committed to very high levels of energy efficiency. By going to tender with those kinds of expectations, that you strive on new construction for platinum standards—many of the new buildings that are going in are in fact using that: intelligent skins, thermal heating, ultra-efficient energy systems—you help develop in the construction industry experience with those industries. This slowdown is not going to—we are going to recover, we are going to come out, and what you've got in the industry is a dispersal of greater knowledge around green technologies in terms of retrofit and also new construction. So when businesses come back into a position to start investing, that same knowledge can be applied—we start a movement to accelerate the movement to green our economy overall. So that's why I speak of a sort of triple benefit here.

Dr. Roseann Runte: Some of that is very simple. For example, a lot of the universities don't have double windows, we don't have storm windows, and that's part of our deferred maintenance. So some of it's very simple fixes

Mr. Wayne Arthurs: I've had some personal knowledge over the past couple of years with the universities and colleges: geothermal—to be parochial—with UOIT in Oshawa and Durham region, which was an exciting infrastructure they did a few years back, and more recently with some of the local colleges where they're doing some energy retrofit activity—boilers, electronic systems—off-site energy management, which are really exciting. But I think what you're saying is there's an opportunity to accelerate those types of initiatives and put those into more of the institutions more quickly.

Dr. Paul Genest: Agreed. You also have opportunities for a living laboratory, so you bring to bear the expertise of the cutting-edge researchers that you have on staff.

Up in Sudbury, Laurentian University is about to break ground on a new \$15-million facility, the Living with Lakes Centre. It has won a major international award. It is going to house all these researchers who are focusing on water issues primarily across Canada, in terms of climate change and the transformations that are happening. They've got an opportunity to really have an incredible effect and an influence on the whole university plant up there, by virtue of the leadership that they're showing around that effort.

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

Dr. Paul Genest: Thank you very much. Sorry I didn't leave enough time for the others.

OTTAWA COUNCIL OF WOMEN, HEALTH COMMITTEE

The Chair (Mr. Pat Hoy): Now I'd ask the Ottawa Council of Women, health committee, to come forward please. I notice you've been sitting there for a time, but I'm compelled to tell you that you have 10 minutes for

your presentation and there will be five minutes of questioning from the official opposition. Please just state your name for Hansard.

Ms. Helen Saravanamuttoo: My name is Helen Saravanamuttoo. I am talking on behalf of the Ottawa Council of Women. I am the convenor for social welfare for the Ottawa council. I did send my brief in last night. I sent it to Mr. Short and to all of you through e-mail. You will be receiving it at your ministry e-mail addresses. I think Mr. Short is going to provide a hard copy.

First of all, I'd like to congratulate the government of Ontario on its release of the Ontario poverty reduction strategy, Breaking the Cycle, which commits the government to a target of a 25% reduction over five years. It'll do this by boosting the benefits to low-income families and enhancing public education.

At present, the government has committed to an increase of \$300 million per year of new money for the fifth year of the plan. While we find this release to be encouraging, we do have difficulty with its implementation, with the amount that you are suggesting.

The situation facing children growing up in Ontario is grim. Some 324,000, or almost one in nine, children and youth live in poverty, or 11.8%. The average poor family is living \$7,100 below the poverty line, and 45% of low-income children live in families where at least one parent is working full-time, full-year. Poverty rates for aboriginal, racialized, new immigrant and lone-mother-led families are at least double the average rate.

I want to talk a little bit about our changing world. A recent study found that 41% of Ontarians reported that they struggle to keep their debt under control, and 37% said that they're always just one or two missed paycheques away from being poor. That's an enormous number

Because of the new situation that really has come out in the last quarter, we'd like to point out that we need new ways of thinking to help run the economy. We note that UNICEF, the OECD and the World Economic Forum examined the Nordic countries and found that they had the lowest child poverty rates, along with the highest competitiveness ratings, among the developed countries. They also had high taxes: 44% to 50% of GDP for Denmark, Finland and Sweden. Canada was 16th on the competitiveness rating. Our total taxes were 33.5%, and they were the sixth lowest. The national rate for child poverty was 14.9%. High personal taxes certainly are not a deterrent to competitiveness, but we're not advocating raising taxes at this time. We're just saying do not necessarily cut them.

1040

The study I talked about earlier has some other issues. Despite strong levels of personal financial worry, the vast majority of Ontarians are looking beyond their own interests and saying, "It's time to think about the poorest among us." Eighty-one per cent of Canadians say that during a recession, it's more important than ever for governments to help the poor, and 93% said that if other countries succeed in significantly reducing the number of

poor people, so can Canada. Ontarians—and that's 89% of people—want a Canada where no one lives in poverty.

In an April 2008 recommendation from the World Bank, the International Monetary Fund and the International Labour Organization, they suggested that we need to raise the minimum wage so that full-time work lifts people above the poverty line, and more low-cost child care spaces need to be created. We know that Ontario supports subsidized child care, but it also supports quality child care, to a large extent. They recommend:

- —a progressive tax be instituted to counteract increased inequality;
 - —a basic social security floor be put in;
 - —affordable, decent housing;
 - —stimulus financing to promote development.

We recommend that the most effective way to provide stimulus is through putting money into the hands of low-income people. A really important point is that additional funds provided to people far below the poverty line will be spent locally and spent quickly, giving the economy a sharp boost. This type of stimulus is moreover cyclical, not structural, since the boost to the economy helps people move into the job market, which will in turn improve the added stimulus, and this brings in more taxes.

The recommendations are that the government of Ontario bring in immediate and significant increases to Ontario Works, the Ontario disability support program and the Ontario child benefit in the 2009-10 budget; increase funding for subsidized child care spaces; increase minimum wage to \$11 by 2011—and I'd like to talk to Mr. Hudak afterwards about that; and invest in affordable housing, particularly for the rental market.

Recommendation number 5 is that, because Ontario has lost so many manufacturing jobs, we recommend the government fund a study to determine how good jobs can be developed and retained in the province. We feel that probably has something to do with them operating locally as well as internationally.

My last point is that municipalities require additional funding. I don't know if you've heard of the recent fiasco in Ottawa at the Ottawa council. We just do not have enough money to do the necessary—to provide the operational budget, which has been chaotic year after year. The city has used up its resources.

We recognize that the province has uploaded some of the costs of social assistance, and we really agree that's a wonderful thing for us. We hope that you will accelerate this. Also, we hope that with respect to the capital budget, you will accelerate the funding for infrastructure, which is badly needed here. We even have social housing which is not up to par and really is in desperate straits. I know you have given some money for that.

We feel that the municipalities in Ontario need to have some way of raising their own taxes, their own money, because as you probably know, we can't increase property taxes except by increasing the rate, which really hurts the poor a lot.

We need to be able to budget in advance so that we can plan and make sensible decisions.

The Ontario government is beginning to recognize the problem and has begun to address the needs of Ontario's towns and cities. Not only are social services uploaded, but it allocated a relatively small amount of money from the gas tax to infrastructure. So we recommend that it consider ways of giving municipalities the power to raise their own taxes, raise their own money, for the everincreasing costs of services for residents and for capital spending, particularly for infrastructure repair. Thank you.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go the official opposition, Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much. May I call you Helen?

Ms. Helen Saravanamuttoo: It would be easier, I'm sure

Mr. John Yakabuski: Yes. I'm not going to take a stab at that one.

Ms. Helen Saravanamuttoo: It's quite simple, actually.

Mr. John Yakabuski: Saravanamuttoo?

Ms. Helen Saravanamuttoo: Very good.

Mr. John Yakabuski: But "Helen" is still easier.

Mr. Tim Hudak: It's easier than "Yakabuski."

Mr. John Yakabuski: It is sometimes—easier to say and more pleasant too.

You've left a whole lot of questions in your presentation, because you touched on many things.

Ms. Helen Saravanamuttoo: Yes, I recognize that, and I haven't been able to read the whole thing, obviously.

Mr. John Yakabuski: No.

Ms. Helen Saravanamuttoo: And you will get that, I promise you.

Mr. John Yakabuski: But we will get the hard copy, and we appreciate that.

You talked about the government's new 25 in 5 strategy. We welcome that too, but they have basically admitted that it is almost entirely dependent upon what the federal government does to pony up the money. Are you aware of that?

Ms. Helen Saravanamuttoo: Yes, I'm perfectly aware of that and I wondered about that, and putting something in. We are, I have to say, a non-partisan group. I did hear yesterday—on George Stroumboulo-poulos—Michael Ignatieff say that he would press for low-income tax relief. I do not think that's enough. I think you have to put more money into the hands of the people.

Mr. John Yakabuski: The federal government is talking about quite a large stimulus package now—

Ms. Helen Saravanamuttoo: Yes, they are indeed.

Mr. John Yakabuski: —and they have talked about social housing and public housing units—

Ms. Helen Saravanamuttoo: Which is great. Yes, and we support that. I did mention housing.

Mr. John Yakabuski: Yes. A couple of things you touched on, and it's always the difficulty—we recognize that groups that work on behalf of people who are living

below the poverty line are essentially dependent upon government for their funding.

Ms. Helen Saravanamuttoo: I have to say that the council of women is not dependent on funding from the government. We do not get any funding; we are self-supporting. We do think it's very much on a shoestring.

Mr. John Yakabuski: Okay. I guess people who live below the poverty line are many times dependent on government funding for their living.

Ms. Helen Saravanamuttoo: Absolutely.

Mr. John Yakabuski: It has been bandied about through the years—

Ms. Helen Saravanamuttoo: Except—excuse me. Could I just finish up there?

Mr. John Yakabuski: I'm going to ask you a question.

Ms. Helen Saravanamuttoo: Low-income poverty people—45% of poor children live in families that are working, where at least one parent is working full-time, all year.

Mr. John Yakabuski: That brings me to my question. It has been suggested by some politicians of all political stripes that we should consider the possibility of a guaranteed annual income, as opposed to the cornucopia of programs that we have today—a guaranteed annual income. How does your organization feel about that?

Ms. Helen Saravanamuttoo: That would be wonderful.

Mr. John Yakabuski: So you support that kind of an approach?

Ms. Helen Saravanamuttoo: Yes, as long as it would provide sufficient income. It depends on the amount.

Mr. John Yakabuski: Yes. If it's going to be worse than it is today, you probably wouldn't support it, then.

Ms. Helen Saravanamuttoo: Absolutely. And I think that the Ontario child benefit is a great move forward, in that it does help these—

Mr. John Yakabuski: Helen, you said 31% of—you did a study or a survey of either your respondents or the people you've included in your survey. They basically feel that they are one or two failed or missed paycheques from being in deep financial trouble.

1050

Ms. Helen Saravanamuttoo: Yes, and the reference is in the paper which you will get, but it is a paper. It's a study done by Environics Research for the CCPA, the Canadian Centre for Policy Alternatives—

Mr. John Yakabuski: And was this done—

Ms. Helen Saravanamuttoo: It was cross-Canada—

Mr. John Yakabuski: This was across Canada. Okay.

Ms. Helen Saravanamuttoo: —but the Ontario results were taken out, and this study is in Ontario itself.

Mr. John Yakabuski: So this was 31% of people in Ontario. That is certainly concerning, given the fact that a good number of those 31% are very likely to be missing one or two of those paycheques in the next several months, as our economy manifests the effects of the negative economic situation worldwide, which are certainly going to be more prevalent here.

Ms. Helen Saravanamuttoo: It's actually 37%; I'm sorry if I said 31%.

Mr. John Yakabuski: I just wrote down 31%.

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

Ms. Helen Saravanamuttoo: Could I just say very quickly, there's certainly research which I can send you to say that minimum wage increases do not act as—

Mr. Tim Hudak: Yes, sure. We always appreciate any information you can provide the committee. That would be great.

Mr. John Yakabuski: Thank you very much, Helen, and Merry Christmas to you.

SOMERSET WEST COMMUNITY HEALTH CENTRE

The Chair (Mr. Pat Hoy): Now I'd ask the Somerset West Community Health Centre to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning from the NDP in the next rotation. I would just ask you to state your names for the purposes of our Hansard.

Ms. Vicky Smallman: My name is Vicky Smallman. I'm the chair of the advocacy committee and a member of the board of directors of Somerset West Community Health Centre.

Mr. Eugene Williams: My name is Eugene Williams. I'm the health promotion coordinator with Somerset West Community Health Centre.

The Chair (Mr. Pat Hoy): You can begin.

Ms. Vicky Smallman: I'd like to thank the members of the Standing Committee on Finance for this opportunity to offer our input on the upcoming budget.

The mission of Somerset West Community Health Centre is to help people achieve optimal health and well-being. Special attention is given to those who have additional needs because of language, culture, age, gender, family composition, disability or other factors. We offer a range of health services and social services to people living within the western part of the downtown core here in Ottawa.

Our health services include regular medical appointments, a walk-in clinic, a street outreach team, home visits, counselling and community education, plus many topic-specific interventions. Our community and social services range from anonymous HIV testing, ethnocultural HIV and AIDS prevention, crisis intervention drop-in, mental health services, women's counselling and a lot more.

We'll focus our presentation today on the poverty reduction plan outlined in the report Breaking the Cycle: Ontario's Poverty Reduction Strategy. In particular, we will address three aspects of this plan: income security, oral health, and equitable access to health care services for marginalized populations.

We're very encouraged by the general direction of the government's poverty reduction strategy. We know from our experience that poverty makes people sick and is the key social determinant of health. This is why we support the government's commitment to reducing the number of children living in poverty by 25% over five years. In addition, we are pleased that the government is increasing the child benefit, extending some existing programs and creating a new oral health initiative.

With a recession looming and many people at risk of losing their employment, the need for a concrete plan to reduce poverty in Ontario is even more urgent. We urge the government to continue to develop the strategy in light of the current economic climate and to set concrete targets and timelines, starting with this budget.

I'm going to move on to income security. According to the Public Health Agency of Canada's population health research, income is the key social determinant of health. In other words, poverty makes people sick. We are encouraged that the Breaking the Cycle report recognizes the moral and economic imperative to reduce poverty in Ontario, and we do support the target of moving 90,000 kids out of poverty. If this goal is achieved, it will go a long way toward preventing illness and keeping children healthy.

We are concerned, however, that the proposed increases in the child tax benefit do not address the depth of child poverty in Ontario. The report acknowledges the core principle that kids live in families but does not address the income security of families living in poverty. In particular, the poverty reduction plan leaves Ontario Works and Ontario disability support payments unchanged and the clawbacks on social assistance remain largely untouched.

From 1992 to 2007, Ontarians living on social assistance have seen their income drop in real terms by 25% to 28%. An immediate rise in these social support payments of just 30% would only bring them up to a 1992 status quo. Increasing the child tax benefit is a step in the right direction, but it is only a Band-Aid solution if Ontario families on social assistance are forced to remain living with an income that is below the poverty line.

Our recommendation supports the call made to this standing committee by the Association of Ontario Health Centres, calling on the government to increase Ontario Works and ODSP payments that will bring them up to levels equivalent to 1992 rates, with a commitment to full indexation going forward. This needs to be a part of a comprehensive poverty reduction plan with concrete targets and timelines.

Mr. Eugene Williams: My part of the presentation will speak to oral health initiatives within the antipoverty plan and equitable access to health care services for marginalized populations. I'll begin by talking about oral health.

The lack of oral health services for people living in poverty represents a major gap in our health care system in Ontario. Aside from tooth decay, untreated tooth problems can contribute to heart disease, diabetes and generally poor health—problems that cost the health care system more money over the long term. Currently, people on social assistance only qualify for treatment for

emergency services like tooth extractions, but don't receive any preventive care. We are encouraged that the Premier introduced an oral health initiative on March 17 of this year, with a commitment of \$45 million in annualized funding to begin in the 2008-09 budget year. Included in this announcement was the commitment that community health centres would be the key vehicle for delivery of oral health care for low-income Ontarians, especially children. However, Breaking the Cycle failed to affirm the community health centres' role in this initiative, and we look forward to clarification on that point and specifics on the funding available.

Community health centres in Ottawa have met with Ottawa public health officials and we are ready to get to work to implement an oral health program that targets children living in poverty in Ottawa. One recommendation we have around oral health is that we endorse our provincial association's recommendation, which asks the government to provide \$45 million per budget year, beginning with this year, to be flowed to public health units for implementation by community health centres, as appropriate. All to say that we're ready to get to work.

The last area that I want to cover is equitable access to health care services for marginalized populations. The catchment area of Somerset West Community Health Centre is characterized by low incomes, high unemployment and underemployment, ethnic diversity, large numbers of recent immigrants, a high use of non-official languages, high mobility and a high proportion of single persons and elderly persons. The catchment is also home to a high proportion of individuals who are homeless and individuals with mental health problems. We work with many poor families who come from marginalized communities.

Just to give you some numbers: We currently have approximately 10,500 active clients; 33% percent of our clients earn less than \$20,000 a year—and those are families; 29% of our clients speak a language other than English; 34% of our clients originated from another country; and 6.5% of our clients are homeless.

We are very encouraged that the Breaking the Cycle report recognizes that children who grow up in poverty will be less healthy, have poorer outcomes in school, experience chronic underemployment and become involved in crime. However, the strategy fails to address the inequity of access to primary health care for marginalized populations living in poverty and the need to reorient a health care system towards health promotion, which is to say that we need to have a system that keeps people well in the first place.

Our centre is at the forefront of health promotion and disease prevention with low-income families within a diverse community. It is essential that community health centre funding is augmented to ensure that marginalized people living in poverty have equitable access to health and social services in order to keep people healthy and well.

In November 2008, community health centres and aboriginal health access centres were informed by the

government that they will be receiving a 2.25% increase in stabilization funding for 2008-09, retroactive to April 1 of this year. While we appreciate this increase, community health centres have been told to plan for a 0% increase in both fiscal years 2009-10 and 2010-11. However, other local health integration network-funded health service providers have received notice of budget increases for 2009-10 and 2010-11. Why are community health centres being treated differently from other community-based LHIN-funded organizations? That's an open question that we have.

1100

This decision puts community health centres and aboriginal health access centres at a clear disadvantage for meeting the ongoing operational and program needs, with a particular impact on recruitment and retention, already a significant challenge faced by our sector. In addition, it will be almost impossible for our centre to expand services to meet the anticipated health and social service needs of people who will experience financial and emotional hardship as a result of the looming recession. We require stable, consistent and predictable funding in order to ensure that residents in our catchment area have equitable access to health care and social services.

A recommendation that we have in this area: We join with the Association of Ontario Health Centres to call on the government to provide a stabilization fund increase for community health centres and aboriginal health access centres equivalent to other community-based, LHIN-funded health service providers.

I just want to close by highlighting a campaign that my organization strongly supports. It's being organized by the Toronto Oral Health Coalition. In your packages, I've circulated a one-page sheet from our provincial association with the postcard picture that says, "Everybody has the right to a healthy smile." If you can see this toothless fellow, just imagine this gentleman trying to job-search, let alone going about his day-to-day business and the incredible shame that he must be feeling to present himself with this public face. This campaign notes that 42% of people in Ontario have no dental insurance. I just want to highlight the very real importance of keeping the commitments that the government made to roll out an oral health initiative, not to mention some of the other aspects of the anti-poverty plan.

The Chair (Mr. Pat Hoy): Thank you. Mr. Prue will have the next five minutes for questioning.

Mr. Michael Prue: The government's announcement on poverty reduction centres upon children. It leaves out the disabled, it leaves out new immigrants, it leaves out people of colour, it leaves out aboriginal Canadians. It leaves out broad swaths. Is a program that deals only with children going to work in your community?

Ms. Vicky Smallman: Not only does it only deal with children, but it actually has gaps even in that respect, in that it doesn't really reference the incredible crisis in child care spaces going on. So even in addressing the needs of children, it doesn't quite go far enough. I do think that it does need to be much more broad in terms of

its plan and much more concrete in terms of the things it's going to achieve: how many social housing spaces are going to be created, how many nutrition programs, and so on.

Eugene, do you have anything to add to that?

Mr. Eugene Williams: I would just add that you can't take kids out of a family context. We would argue that the anti-poverty plan has to bring to the table the Ministry of Community and Social Services, and the government needs to look at raising the rates. Quite frankly, poverty and income is a major social determinant of health. Unless you lift people out of poverty, other measures will only be stopgap measures.

Mr. Michael Prue: In terms of the income security recommendation, you are recommending that the levels be raised approximately 30%?

Ms. Vicky Smallman: Yes, with full indexation going forward, so then it's not the end.

Mr. Michael Prue: Okay, you know about that. Are you looking at the 30% in this budget or are you looking at it being phased—

Mr. Eugene Williams: I would say as soon as possible. A phased-in approach would at least be a step in the right direction but, quite honestly, people living in poverty have seen their real incomes drop and they're hurting in this economy. I would say that we can't afford not to make that investment. The cost to the health care system is astronomical. All the evidence suggests that people living in poverty over the long term experience many chronic diseases. They're presenting themselves in our hospital emergency room departments with issues that, quite honestly, are preventable, and I think we need to tackle poverty. If we don't do it now, we'll pay for it in the future.

Mr. Michael Prue: Other deputants have come forward and talked about, one of the small ways of tackling poverty is to allow the disabled to not have their incomes clawed back when they go out to work—examples of people born with Down's syndrome who get a job sweeping up at McDonald's and have half their money clawed back. Do you think that the government should be looking at this?

Ms. Vicky Smallman: Yes. It's kind of a no-brainer that anything that contributes to the—you can't make progress in your life in getting out of poverty if your income is at risk just by taking the steps that you need to take to improve your condition of life. It's like taking one step forward and eight steps back. So certainly anything that claws back the funding that people receive does put them at risk.

Mr. Michael Prue: Earlier this morning we had a group called the Hintonburg Community Association, who said that I should ask you the question. It was in terms of how much social housing, assisted housing or supportive housing is needed in the Ottawa area, particularly the west end Ottawa area. They were not able to answer the question but they suggested you might be able to.

Mr. Eugene Williams: I think a good indicator of the—I would call it a crisis in affordable housing that we're facing in Ottawa: approximately 9,000 to 10,000 people are on the social housing waiting list, so there are a lot of people living in poverty who are struggling to find affordable housing. So we need a national housing strategy, quite honestly, and we need the province to join with the federal government and the municipalities to build more non-profit housing.

Ms. Vicky Smallman: And supportive housing—I think they were right to raise that. We have in our catchment area many people who are dealing with mental health issues and addiction issues in particular, and the absolute absence of supportive housing spaces in our community makes it so much more difficult for those people to break the cycle of addiction and to start to be more productive members of society. It does have lasting effects on our community at large.

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

RENFREW COUNTY CHILD POVERTY ACTION NETWORK

The Chair (Mr. Pat Hoy): Now I would ask the Renfrew County Child Poverty Action Network to come forward. Good morning. You have 10 minutes for your presentation. There will be five minutes of questioning coming from the government side, in this case. Please state your names for Hansard.

Mr. Greg Lubimiv: I'm Greg Lubimiv. I'm the cochair of the Child Poverty Action Network as well as executive director of the Phoenix Centre for Children and Families, which is a children's mental health centre serving Renfrew county.

Ms. Lyn Smith: And I'm Lyn Smith. I'm the coordinator for Renfrew County Child Poverty Action Network and I actually run the network day to day.

Firstly, on behalf of Renfrew County Child Poverty Action Network—we're also called CPAN for short—we'd like to thank you for giving us this opportunity to appear before you today. We'd also like to commend the Ontario provincial government for the Ontario poverty reduction strategy that was announced on December 4 this year.

CPAN is a key member of 25 in 5, Campaign 2000 and the National Anti-Poverty Organization. We have welcomed and will fully support this government in your commitment to reduce child poverty in Ontario by 25% in five years.

We apologize; we did have a PowerPoint but apparently that's not working. But in your handouts you do have some slide prints.

Mr. Greg Lubimiv: We've also included The Cost of Poverty report, which has been referred to by several of your presenters, in case you didn't have that document. It's quite an interesting document because it actually starts to capture the economic cost of maintaining poverty in the province of Ontario. Just some particular

issues related to that that have already been mentioned: We are in difficult economic times and so we're going to have more poor. When we talk about 25 in 5, which we very much endorse, the target of 90,000 children may actually be low, may not be the portion of 25% in the fifth year.

1110

Poverty has significant costs for all governments, the federal and Ontario governments losing at least \$10.4 billion to \$13.1 billion a year due to poverty. Poverty has a cost for every household in Ontario. Each household loses approximately \$2,299 each year to support the issues related to poverty.

We know that health care and crime have relationships to poverty. We know that investment in child care has a significant return for low-income populations. We know that the annual cost of child or intergenerational poverty is very high, and that if it was eliminated the total economic cost of child poverty in Ontario would be about \$4.6 billion to \$5.9 billion annually. So economically we know that eliminating poverty actually is good economic sense and creates better health for communities, for provinces and for the nation.

But it does take working collectively, and we heard that mentioned also in some of your questions and through presentations that it's not just one government that is going to solve this. It's all levels of government, including the private sector being involved.

I want to jump to some of what we think needs to happen, and it is very much supported by what you've already been hearing.

We endorse the implementation of 25 in 5 with a clear schedule, adequate funding and defined milestones. Those are really key. There have been many attempts at trying to attack the issue of poverty in the past, but it's like having a car that you're buying which needs some wheels, and you put one wheel on it. Then you wonder why it's not going very far. You really need to make sure that we provide the adequate supports and finances.

We're suggesting we create 100,000 new geared-to-income houses each year for the next five years. This will not only provide necessary homes, but could be part of the stimulus towards economic recovery.

We'd like to ensure that all Ontarians have access to adequate health care benefits, including access to prescription medication and preventive dental care. No family should ever have to make the choice of providing medicine or food, especially in this province, and that's what's happening every day for many families.

To work with the federal and provincial governments to create a maximum limit of 10 points over prime—one of the issues that we're finding for many of the people we see is the credit rate crunch. The poor pay the highest for credit—29%, 24%, 18%—and it really is an issue of the poor being caught in a trap that they'll never get out of. There should be some laws, especially for the cash loan companies, which are at a 300% level and keep our poor poor. This is something that could be very clearly done through coordinated government regulations.

We think there should be a clear emergency assistance plan which will prevent homeowners from losing their homes as we move through this recession. We know that that is a reality that many US families are facing. We have currently many Ontarian families that are facing this or are near this. You heard the stats of a large percentage of families being one or two paycheques away from being poor themselves or from losing their home. We can be proactive in terms of looking at what is that strategy. I'm not sure what it is, but certainly there are some financial gurus who could come together and come up with a plan that would work.

We also want to ensure that any policies that are created are flexible enough to take into consideration both rural and urban realities. One of the past experiences we have had with many policies is they seem to be Toronto-centric or Ottawa-centric, and they don't consider what is happening in places like Renfrew or Eganville or Prescott-Russell.

We want to make sure that any type of stimulus that is created, any type of support that's provided, is also provided in those rural areas and flexible enough to adapt to community needs. If there is business stimulation, we need to also think about not just the auto industries but forestry, farming, tourism and small business, which are really the heart and soul of many of our rural areas.

There is no better time to deal with poverty than now. Even with the economic recession, there is an opportunity to be more preventive and to do something that is going to have a longer-term impact, a positive impact, on our society as a whole.

We know from the survey of attitudes of Ontarians that we have never had such positive and wonderful support of the need for change, a need for making change and for reducing the poverty levels. We know that 81%, the majority of Ontarians, say that a time of recession is a time when we need to help the poor, not run away from them. We know that 89% say it's time for political leadership to reduce the number of poor people. We know that 87% of Ontarians support the raising of minimum wage. We also know that 89% agree that no one should live in poverty. We finally have public support. This is not something that is just being driven by social service support systems and agencies.

In Renfrew county with CPAN, we held four community forums to talk about the poverty reduction strategy for Ontario. Three of these were exclusive to participants who were low-income families, because we wanted to hear from the real experts as our consultants. They're the ones who are living it. One of the forums had a mixture of those who were low-income and those who were from social service agencies etc. We were able to gather a great deal of insight on that and get some tremendous support in the real world for the 25 in 5 Network for Poverty Reduction and for the government to make some changes in those areas that we have talked about

You do have a copy of the full report in your packages, but I want to reflect on one of the areas where

we had children, ages four to 17, in a separate room—there were about 20 of them—and these are some of the things that they said in answer to the question, "If you were Prime Minister, what would you do to make families happy?"

"Every family would have a home"; "buy them toys and things for play"; "supplies and money for school"; "buy food and clothing"; "birthday presents"; "shelter"; "donate money so they can go to school"; "give people more money"; "build houses"; "make jobs easier"; "give children who don't have a home a home"; "everyone has health insurance"; "give money to kids so they can play sports"; and "money for medicine." These are our kids talking; let's listen to them.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government. I'm advised that Mr. Lalonde will ask his question in French. If you'd all turn to channel 3 for just a moment.

M. Jean-Marc Lalonde: Merci beaucoup d'avoir pris le temps de vous rendre ici ce matin.

Je crois que nous touchons à un point très, très important : la pauvreté chez nos enfants. Vous êtes sans doute au courant que la pauvreté est plus grande dans le secteur rural que dans le secteur urbain. Est-ce que vous voyez les raisons principales pourquoi la pauvreté est plus grande dans le secteur rural qu'urbain ? Aussi, on s'aperçoit que lorsqu'il vient le temps des études aussi, les notes scolaires sont souvent plus basses dû au fait du déplacement—et aussi obtenir les services de santé. Est-ce que dans votre secteur de Renfrew vous comptez beaucoup plus de familles pauvres dans le secteur rural que dans le secteur urbain ?

Mr. Greg Lubimiv: We often find that there seem to be concentrations of the poor in rural areas. A couple of things, and you already mentioned one: transportation is an issue, access to services is an issue and access to jobs is an issue. The amount of choice in rural areas is more limited. In a city, you may have a larger number of businesses, of possible job opportunities close by and you may have food banks close by. In Renfrew county there are only three food banks in three communities. We have something like 40 different municipalities—very small to larger. Those who are in Eganville or in Dacre—very small communities—how do they get access to some of those special services?

The piece on education, as well: Our young people end up with fewer choices. Education becomes not an attractive piece for them—to finish high school, to go to college, to go to university—because what is in their future if they want to remain in the county where they feel comfortable, where they feel a part of their family? 1120

So, in order to get ahead, our young people often have to leave home, and it has become worse over the last few years. The economic issues, I think, hit the rural areas before they hit the urban areas. We have far fewer choices in terms of jobs. We have layoffs that we've been facing over the last three or four years. Whole companies have been closed, losing 200 employees, 300 employees, 20

employees. The forestry industry, which is a mainstay for Renfrew county, has been affected tremendously in the last 10 years. So employment is becoming an issue. The infrastructure is not there.

Fortunately, one of the benefits we do have in rural communities is that there are a lot of good hearts and there do seem to be many individuals and small businesses which see the issue, so organizations like ours are getting tremendous support for finding snowsuits or shoes to give to kids in need.

Ms. Lyn Smith: I'd like to add to that. One of the things that happens in a rural community, and especially in Renfrew county, is that we have deep pockets of poverty. People are really very much below the poverty line. They're living \$10,000 to \$14,000 below the poverty line, on average. So when they're poor, they're desperately poor.

Another problem is that we have very high precarious employment: seasonal, temporary, part-time and contract positions. I believe, on the last figures that I had, 52% of all employed people in Renfrew county are precariously employed.

Of course, along with precarious employment comes lack of benefits. Personally, on a daily basis mothers are phoning me who can't afford to either feed or give medicine. Either way, they aren't fulfilling their parental obligations, but they have no choice. We have schools that actually give out money to parents for medicine.

Rural poverty is a sad situation for children.

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

Mr. Greg Lubimiv: Thank you for this opportunity.

PROVINCIAL NETWORK ON DEVELOPMENTAL SERVICES

The Chair (Mr. Pat Hoy): Now I'd ask the Provincial Network on Developmental Services to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning, which would come from the official opposition. I'd just ask you to identify yourself for Hansard.

Mr. Geoff McMullen: Good morning. My name is Geoff McMullen. I'm speaking today as chair of the Provincial Network on Developmental Services. I'm also, in my other life, the executive director of Developmental Services of Leeds and Grenville. I thank you for the opportunity to speak today.

The Provincial Network on Developmental Services is an affiliation of provincial organizations, representing 250 agencies and families, that provide supports to individuals and families in the developmental service sector across Ontario. I'm here today to address the current situation facing the developmental service sector. We are very concerned that the sustainability of the sector is at risk.

The government released its poverty reduction strategy on December 4, 2008. The sector has proactively participated in the consultation process to ensure that the

needs of individuals with developmental disabilities and their families are taken into account. A key element of the poverty reduction strategy is the government's commitment to long-term, affordable housing. We look forward to the details of this initiative. We are also participating in policy discussions on child poverty, specifically pertaining to children with disabilities.

The Minister of Finance, in his fall economic statement, revealed that transfer payment funding will not be increased in 2009-10. While recognizing the challenge in the current economic environment, we strongly urge the government to recognize the developmental service sector's important contributions and services to those with developmental disabilities and their families by protecting its commitments.

The government must continue its promised multiyear funding and protect the commitment for a 2% increase in the operating budgets and the previously negotiated increases in salaries.

It also must provide an additional \$60 million in funding for services for the 2009-10 fiscal year. These funds are critical in providing services to the approximately 13,400 individuals and their families who have been waiting for residential services, day programming and other critical support services—many waiting for a number of years.

In 2004, the government made a commitment to transform the developmental services sector. Since then, the government has introduced several important measures to individuals with developmental disabilities and their families, such as integrating by 2009—actually, by March, and we are on target—the remaining individuals with developmental disabilities who are living in government-run institutions into the community.

There was the launching of the Passport program, which started to expand individual funding to families; also, creating a progressive framework for transformation of the developmental service sector through the Services for Persons with Developmental Disabilities Act, which you passed. It was a new act; our last act that we had been working under was 35 years old. Also, recently, the changes to the registered disability savings program—all very positive steps in transforming the system.

During the 2007 and 2008 pre-budget consultations, the network sought \$200 million in new funding to be added to the sector's base operating budget for that year of 2007-08. These funds were meant to address long-standing and urgent pressures facing individuals with developmental disabilities and their families. The 2007 budget committed \$200 million in new funding to the developmental service sector, but it was over four years. This new funding committed a 2% annual increase in base operating budgets. This was the first time the sector had been given an increase in operating dollars in many years. This new funding was a positive step in addressing the sector's long-standing and urgent needs.

Unfortunately, for several reasons, the sector remains at a critical juncture. The decision to spread the new funding over four years delayed a badly needed cash infusion to address the pressing needs facing individuals with developmental disabilities and their families that had accumulated over no budget increase. This had also been exacerbated by unanticipated labour costs in the fall of 2007 that resulted in an additional \$100 million in cost to the sector without addressing the real issue of long-standing wage gaps in the sector. These settlements were driven by external factors out of the control of the sector.

By mid-2007, most of the \$200 million in additional funding had been committed to cover negotiated labour costs, statutory requirements such as WSIB and pay equity, as well as limited program growth. Nonetheless, I would like to emphasize that, in good faith, we are working with the ministry to increase capacity across agencies without any additional funding to support these enhancements. Despite the challenges, we expect to provide approximately \$22 million more in services to individuals and families across the province, including residential and community supports, and day programming. We have planned that over an 18-month period, along with the Ministry of Community and Social Services.

The \$200 million in new funding in 2007 was a positive step. However, the challenges I have referred to are exacerbating the already built-up pressure on the sector and are hindering our capacity to address long-standing service demands for individuals with developmental disabilities and their families.

As the remaining individuals in government-run institutions are integrated into the community next year, there will be unprecedented demand for service. We are doing our share in working with the government to accommodate this increased capacity without additional funding, yet pressure continues to mount and waiting lists continue to grow. I assume most of you have met the aged parent with the adult child or the parent whose child is leaving school and has no day programming.

In his fall economic statement, the Minister of Finance announced that transfer payments—funding to agencies—would not be increased in 2009-10. Protecting the commitment for a 2% increase in base operating budgets, as well as commitment to the ministry's negotiated salary increases, is essential to the sector's sustainability. It is important to note that in our sector, the 2% increase has been committed by agencies across the province in negotiated contracts and legislated requirements. We recognize the challenge in the economic climate; however, we strongly urge the government to recognize the importance of the sector's services and supports and their delivery by maintaining its multi-year funding commitment.

1130

On a final note, I would like to acknowledge that among developmental service partners there's a strong commitment to achieve the government's transformation agenda. At this critical juncture, the network and the government must continue to work in partnership to build on its positive momentum and complete the transformation of the developmental service sector. Only then will

Ontario have a fair, equitable and sustainable system of supports and services for individuals with a developmental disability in their family.

To that end, I urge the committee to acknowledge the long-standing needs of the developmental service sector. The network respectfully requests that the following recommendations receive support for inclusion in the committee's report.

- (1) Continue the promise of multi-year funding.
- (2) Protect the commitment for a 2% increase in operating budgets and negotiated salary increases in 2009-10.
- (3) Provide an additional \$60 million in funding for services for the 2009-10 fiscal year. These funds are critical in providing services to the approximately 13,400 individuals and their families who have been waiting for residential service, day programming and other critical supports.
- (4) We need to systematically address our waiting list. We acknowledged last year that it would take five to seven years, but we really do have to get out of the starting block to address that long waiting list.

Thank you.

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

Mr. Toby Barrett: Thank you, Mr. McMullen, for speaking on behalf of a number of agencies that you're representing, such as Community Living.

You indicate that the recent economic statement by the Ontario government indicated no increase in the coming fiscal year. You make reference to a commitment of a 2% increase in operating budgets. Whose commitment was that?

Mr. Geoff McMullen: That commitment was made in a multi-year funding by the government in 2007, and the commitment addressed a number of issues. The 2% was on the base budget, plus salary and increases.

Mr. Toby Barrett: Was that a particular minister or ministry? Do you recall?

Mr. Geoff McMullen: That would have been Minister Madeleine Meilleur. I believe it was in May 2007.

Mr. Toby Barrett: Just to change gears a bit, with respect to people who have various disabilities and also various abilities: I'm aware of what I see as a success in part-time employment and volunteer employment; I think of, locally, in Brant county, Brantford, an organization called Abilities First—we had an awards ceremony just a month or so ago—where people get an opportunity to join the team, join a work environment, help out, volunteer, make a bit of money up to a certain limit. If they go over that limit, then they have to fill out all kinds of forms again and they lose that money. Do you have any suggestions on how we can better enable that kind of approach to be even more successful?

Mr. Geoff McMullen: I think what you're saying, certainly, is that it's the first movement of inclusion, especially of those young people who have now grown out of the school system, and it's very positive. We have to ensure—and most of these young adults and older

adults would be on ODSP—that there aren't the roadblocks in there that deter people from getting out, getting involved, getting that part-time job. We could go down to what type of—either on the ODSP or looking at some type of guaranteed income level that's there—but really, reduce any blocks that would stop someone with a disability or others from getting back into their community and into the workforce or volunteerism.

Mr. Toby Barrett: I talked about the money that gets clawed back. It's very, very important. You use the term "inclusiveness." The opportunity for people, especially when they're working with a very good employer or a good work environment—and in my observation, many of the employers who have the patience and reach out this way are some of the best employers in the area. So the people benefit much more than any monetary benefits, in the sense that they become part of that team.

Further to that, you make mention of the registered disability savings plan. I don't know whether Mr. Yakabuski—do you have a question on that?

Interjection.

Mr. Tim Hudak: Mr. Barrett had a similar point of view as I. What barriers can we break down? The Americans have the Americans with Disabilities Act that has cleared the way, in many senses, for people with disabilities to move into the workplace and express their rights. There's something we can learn from that experience for Ontario. Secondly, programs like the RDSP: What's your view on them in helping folks in that position?

Mr. Geoff McMullen: Certainly, any of those programs, we were very happy to see. We're pushing to ensure that ODSP wasn't rolled back with the plan. I think there's a compromise there, but it's a new way of doing business, in that sense. Any of those that, again, can support families and individuals standing on their own are very helpful.

The rights movement—there's a lot we could discuss, Tim, on that. But we are learning from many of those jurisdictions.

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

CANADIAN UNION OF PUBLIC EMPLOYEES, ONTARIO DIVISION

The Chair (Mr. Pat Hoy): And now I call on the Canadian Union of Public Employees, Ontario division, to come forward please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning, and in this round it'll come from the NDP. I'd just ask you to state your name for our recording Hansard. You can begin.

Mr. Michael Hurley: Thank you. My name is Michael Hurley. I'm the president of the Ontario Council of Hospital Unions. Diane Morin is the president of the CUPE local at Cornwall General Hospital; Louis Rodrigues is the president of the CUPE local at the Kingston General Hospital. With us today are about 60

employees of the Kingston General Hospital who have come for these hearings. They're cutting 157 jobs at the Kingston General Hospital. There aren't any plans to lay off people, so people aren't here because they've been given a layoff notice. They're here because they're very worried about how we're going to cope with the rapidly increasing numbers of people we process through Ontario's hospitals, how we're going to cope with those workloads, how we're going to try to keep people safe and care for them properly in an environment where hospitals are told, as Kingston and Cornwall have been, that deficits are not tolerable.

We're a little confused by the government's policy with respect to finances. On the one hand, there's an incredible largesse around the private-public partnership hospitals, with almost \$1 billion in cost overruns, producing smaller facilities with fewer workers, and on the other side of the equation, on the operating side of the equation, there's a rigid and inflexible policy that suggests that hospitals cannot have deficits. So next year, 110 hospitals, as you know, are going to be in deficit, hospitals from Kenora to Leamington. There will be significant pressures on those hospitals. We're very concerned because the Minister of Finance indicated to the Legislature that hospitals and transfer partners could not necessarily count on the levels of increases that the government committed to earlier. If the government does not deliver on the 2.1% increase for hospitals, then we calculate we're going to see, because health care inflation is running at 3.5%, 9,000 job losses in the Ontario hospital sector across the province. To put that in perspective, Chrysler Canada, which is on the verge of bankruptcy, has 9,800 employees in Canada, most of those in Ontario.

1140

We'd also like to talk to you about the impacts that this deficit policy is having in terms of closing smaller rural hospitals, hospitals which previous governments failed to close, like, for example, the Port Colborne and Fort Erie hospitals, like Leamington, like Strathroy, all of which are in jeopardy as a result of these changes. We'd like to talk to you about the consolidation of services that's going to happen as services like birthing move from centres like Alliston into larger urban centres like Ottawa and other communities. As a result, there's an influx of patients into these communities and increased pressure on these hospitals to perform.

We have one of the most efficient hospital systems in Canada in terms of staff per patient, in terms of patient stays, in terms of average length of stays. By all the means that we measure, we have the most efficient hospital system in the province. But the province is being completely inflexible with respect to the pressures on those hospitals in terms of the aging population, the growing population and the acuity of illness presenting at these hospitals at this time.

We would like to encourage the government to honour its commitment around the funding that was announced for next year. We'd ask the government to reconsider its inflexibility with respect to hospital deficits. We think it's an unfair policy. We'd like to ask you to shelve now, in light of the Auditor General's report, the private-public partnership, or however you want to term it, the designated policy with respect to the construction of hospital infrastructure. We put that all very respectfully. Thank you.

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

Mr. Michael Prue: Thank you so much. There's so much to do here. I'm going to try to be as fast as I can. The P3 hospitals: The auditor has absolutely said what a fiasco that has been. What would you recommend to the government in this budget? That they get out of the remaining contracts in places like North Bay, Ottawa, Sarnia, Sault Ste. Marie, or that they simply stop P3s in the future?

Mr. Michael Hurley: I don't think there's any question that P3s are not affordable. The cost overruns already on five projects we've cited are over \$1 billion and the total cost of hospital deficits is \$300 million. We're getting smaller hospitals, according to the Auditor General. There are huge overruns. There are huge delays. There's no risk transfer. So we would respectfully suggest that the P3 policy should be terminated. We'd also ask that the documents relevant to these P3 projects be made open and transparent. Our union and several others had to go to court. We spent almost a quarter of a million dollars to force disclosure of the Brampton P3 documentation, which subsequently can be looked at by the Auditor General. There's a complete lack of transparency with all of these contracts.

Mr. Michael Prue: I'm particularly worried about job losses. You list here job losses that will evaporate in communities across Ontario: 157 in Kingston, and I was just there this week; 220 in Scarborough-Ajax, we have the member here who represents that; we have 400 in Hamilton, and we have a member who represents Hamilton; 100 in Cornwall, and we have the member who represents Cornwall. Is there any way that we don't have to face these job losses? Is it just a matter of the government putting more money in the budget?

Mr. Michael Hurley: There has been quite an extensive amount of money spent on restructuring projects that have failed. There's one under way here in the eastern Ontario region, the eastern Ontario laboratory program, which is likely going to lose money and result in hospitals having to subsidize a laboratory service when, according to the government's theory, back office reorganization is supposed to work the other way; savings are supposed to flow to patient care. There's the P3 side of the equation.

I don't know what to tell you, though. The hospitals are being funded under the rate of inflation, and yet they're processing more and more patients. They're the most efficient system in Ontario and the demands on them are enormous. These cuts that are happening—for example, 220 in Scarborough, or 400 that have been announced in Hamilton. We were told, when those cuts

were announced, that they will result in better patient care. I have to tell you, that's like the emperor has no clothes. That's absolute bafflegab and the public is being hoodwinked.

Mr. Michael Prue: You've got something down here about how hospitals like St. Joseph's in Hamilton and Hamilton Health Sciences are contracting out cleaning services. I can't imagine a more unhealthy thing to do than that. They say it's going to save money, but as you've correctly written, hospitals around the world are banning that process in favour of in-house staff who are properly trained and have some commitment to their jobs. What do you recommend that the government do here?

Mr. Michael Hurley: The fourth leading cause of death in Canada is hospital-acquired infections, sadly and ironically. We're losing 4,000 people in Ontario every year to these HAIs; 80,000 people contract them in the hospital. We've had ongoing cuts to the numbers of cleaners and infection-control specialists. We've had some contracting-out of cleaning, which the Royal College of Nursing has said is a dangerous and unsafe practice.

We have occupancy rates—because of the efficiency, we have more and more patients going through the hospital, pressed more and more tightly together in congestion. As a result, they spread these diseases. So we have to do something about occupancy. Other jurisdictions, like Britain, with an 85% occupancy, have brought MRSA deaths down by 30%. The Netherlands, at 65%, has a much, much lower death rate due to hospital-acquired infection.

The contracting-out of cleaning, which has been denounced as dangerous and unsafe in other jurisdictions, should be brought to an end. There need to be more cleaners, and patients need to be provided with more space in these facilities. This whole idea that just by washing our hands will we deal with this problem is another case of trying to perpetrate a naïveté on the population of Ontario. It's not that simple.

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

Mr. Michael Hurley: Thank you very much.

CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 2204

The Chair (Mr. Pat Hoy): Now I call on the Canadian Union of Public Employees, Local 2204, childcare, to come forward, please. Good morning. You have 10 minutes for your presentation. The questioning will come from the government in this round. I'd just ask you to identify yourself for Hansard.

Ms. Shellie Bird: Thank you for this opportunity to present. My name is Shellie Bird. I'm the union education officer for CUPE Local 2204.

Local 2204 is aware that we present today in the face of a global economic crisis. We know that the province is signalling to citizens and to the health, education, municipal and community sectors for restraint. We're here to say that we can't accept this. Now is not the time to slow investments in social infrastructure. In fact, now is the time to increase investments. In a recent open letter to the federal government, 88 leading economists and academics called for the government to respond to the crisis through sustained and enhanced investments in public programs and services, stating that to cut or reduce public spending will in fact worsen the economic downturn and the job losses.

From the moment the foundation of a new child care centre is laid, it generates ongoing economic activity in the community. It creates jobs, supports parents to work and study and, as importantly, it supports children's development. When done well, early learning and child care is a very sustainable form of local economic development and builds strong economies in municipalities across the province and subsequently in the province of Ontario.

There is ample evidence to support the claim that high-quality early learning and child care has benefits for children, their families and society. Decades of research show that caring and nurturing educational environments support children to meet their full potential for school readiness and later-life outcomes. Fraser Mustard and Margaret McCain confirm this, and this informs the province's Best Start plan.

In 2005, the Minister of Children and Youth Services appointed the expert panel on quality and human resources in the child care sector. It was to consult and report back to government on the need for investments in the workforce. It confirmed that children's experiences during their early years have the greatest impact of any time during the life cycle on learning behaviour and health, and that the single most critical factor affecting quality is the knowledge, skills and stability of the child care workforce.

The Child Care Human Resources Sector Council also identifies that staff are a vital component of quality and that the key to quality early childhood education lies in providing sufficient funding to provide adequate wages and benefits to staff. In order to develop a quality. affordable system, low wages must be addressed and planned for in a coordinated way, yet the important work our members do every day in caring for young children continues to be largely ignored. Your community partners, our union representatives and municipal governments have met numerous times with MPPs, the minister and the Premier to raise concern about the brewing crisis in our system. The inequity in the provincial-municipal cost-share arrangement, the cap on wage subsidy, unfunded pay equity and increased costs to deliver services have put incredible strains on local child care program budgets. With staff salaries and benefits making up 85% of the child care centre budget, it is precisely here that the employers are forced to contain costs. Our members' standard of living has declined and for the greater good of the programs has been flatlined for the past 13 years.

1150

In the past 13 years, our members have received a 9% wage increase, while our comparators have received over 30% in the same period. Our centres have historically paid higher wages and, as a result, staff turnover was low. The average length of employment in our centres is 10 to 15 years. The benefit of this is the continuity of relationships between staff and children and between staff and parents. The informed practice and seasoned experience of senior staff supports quality care for all children.

When child care staff are employed in centres where wages are low, there's a lot of job-hopping. Staff looking for better-paying work jump from job to job and so don't have the time to develop a commitment to the centre and strong relationships with the children or the families. They don't have time to reflect on the strengths and weaknesses of their practice with children or their work with their colleagues. The Child Care Human Resources Sector Council found that the key to quality early learning and child care lies in providing sufficient funding to pay adequate wages and benefits to staff.

The province's own expert panel on quality and human resources recommends investing in early learning and child care as the most economically efficient investment society can make. It reiterates that the province's commitment to invest in early learning is to support all of Ontario's children to reach their potential, and by this, strengthening communities that help Ontario reap the social and economic benefits of investing in young children.

Research shows that for every dollar spent, there is a \$2 to \$17 return. Child care is pivotal for keeping families out of poverty and allows mothers of young children to work. Quebec has seen a 50% reduction in poverty since investing in its universal child care program. I want to say that Quebec invested in its program at a time of economic downturn in the early 1990s. Money is not an excuse for not investing.

While investing in early learning and child care is first and foremost about investing in our children's well-being, health and happiness, it also ensures that Ontario remains competitive with other modern economies now and in the future. But unless the province acts aggressively in the 2009 budget on early learning and care investments, our future prosperity will be squandered.

A recent UNICEF report damns Canada's record on its investments in children and in early learning and child care. Canada and its provinces, including Ontario, rank at the bottom of industrialized nations on the UNICEF benchmarks for ensuring children get the best start in life. The Organisation for Economic Co-operation and Development identified Canada and its provinces as laggards in investing in young children and early learning and child care.

Child care workers need immediate action to stem the exodus of workers leaving the field for better-paying jobs. We need investments that will stop the erosion in quality. We need investments that make early learning

and child care accessible and affordable to parents. We will be looking for investments in the 2009 budget that will focus on addressing funding gaps in the municipal-provincial cost share, full costs of spaces, funding for pay equity, wage enhancement grants, and provide inflationary cost-of-living increases.

We want the province in particular to address the 80% share of the provincial-municipal cost share. Here in Ottawa, we just went through a municipal budget and have pushed off a cut to 700 subsidized child care spaces in this city alone. We know that cities across this province are facing similar cuts over the coming municipal budget processes because of incredible underfunding of your municipal partners.

Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to Mr. Lalonde. I'm advised that he'll be asking the question in French. We're using channel 3.

M. Jean-Marc Lalonde: Merci de votre présence ce matin. Vous touchez à un point qui est très, très important et je crois que durant la préparation ou la consultation pour le prochain budget, ce sont des choses que nous voulons entendre du public : les besoins de notre jeunesse, de nos enfants.

Vous avez sans doute eu la chance de regarder le rapport qui était présenté par la ministre Deb Matthews sur la pauvreté. Nous savons que d'ici les prochains cinq ans nous voulons réduire la pauvreté chez les enfants de 25 %. Est-ce que vous êtes d'accord à ce que le début de regarder le secteur de la pauvreté est bel et bien le secteur de la jeunesse, des enfants?

Ms. Shellie Bird: I think that there was not enough in the announcement by the minister. We're not happy with the announcement from the minister. We do not believe that slowing investments in poverty reduction or in child care is going to benefit families today, and we are not going to benefit Ontario into the future by slowing the investments that are critical for health and social services.

M. Jean-Marc Lalonde: C'est ce que nous entendons dans le moment. Dans le moment, les gens nous disent, « Il a fallu peut-être regarder aussi ailleurs que seulement chez les enfants ». Mais je crois que c'est un début. C'est l'endroit qu'il faut regarder parce que les enfants, c'est notre avenir. C'est comme construire une maison : si la fondation n'est pas bien construite, tout va s'écrouler. Puis dans le moment, c'est pour cela que nous regardons chez les jeunes enfants ou dans le secteur des garderies. C'est un point.

Mais vous avez touché à un bon point. Au Québec, oui, nous avons des garderies dont le coût est de 7 \$ par jour. Mais il faut dire qu'au Québec les gens, les travailleurs, la force ouvrière au Québec doit payer 4 000 \$ à 5 000 \$ de plus par année d'impôts pour payer tous ces services additionnels. Donc, ici, pour arriver à des garderies de 7 \$ par jour, ça voudrait dire qu'il faudrait augmenter l'impôt foncier et l'impôt personnel des gens, et notre premier ministre dit toujours qu'il ne faut pas procéder avec les augmentations d'impôt. Donc c'est pour ça qu'il y a une grosse différence au Québec,

et puis aussi que nous, nous payons une bonne partie de cet argent qui est vraiment un déficit de l'administration des garderies au Québec.

Ms. Shellie Bird: If I can respond, I do believe that when you invest in child care, you're actually investing in families. You're allowing people to go to work; you're allowing parents to train for the workforce. Investments in child care are investments in families and they're investments in people's ability to work and study. So it's a smart investment to invest in children.

In the case of Ottawa and what we went through just in this last municipal budget process when they were going to cut 700 subsidized child care spaces and undermine our city's ability to work with low-income families—that's what municipalities are being forced to do because of funding shortfalls—we did a costing of that and what it would mean to the average resident of Ottawa. It was 48 cents a month to save 700 child care spaces. I can tell you, when you talk to people about whether they want their taxes raised, they might say no, but when you talk to people about whether they are prepared to pay 48 cents a month for a subsidized child care space, they would say yes. So it's time our government started asking the right questions and not simply, "Do you want a tax cut?"

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

We are recessed until 1 o'clock. *The committee recessed from 1200 to 1300.*

OTTAWA FEDERATION OF PARENT DAY CARES

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will come to order for our afternoon session. Our first submission will come from the Ottawa Federation of Parent Day Cares, if you would come forward, please.

Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning. In this case, it will come from the official opposition. I would just ask you to state your name for the purposes of our recording Hansard.

Ms. Susan Mendelsohn: Susan Mendelsohn.

Ms. Jackie Dwyer: Jackie Dwyer.

The Chair (Mr. Pat Hoy): You can begin.

Ms. Susan Mendelsohn: Okay. Thank you very much for this opportunity to present. As I just said, my name is Susan Mendelsohn and I'm here today representing the Ottawa Federation of Parent Day Cares. Our federation was incorporated in 1985 to promote the development of high-quality, non-profit early learning and child care. We currently represent nine child care programs here in Ottawa that serve 655 children and their families.

Our federation believes that public and non-profit programs are the most effective way to ensure high-quality early learning and child care that is focused on the developmental needs of young children and that allow families to work or to study.

Parents in our centres have a very central role in all the decisions that affect the care their children receive. The needs of our families, our communities and our staff are at the core of all that we do. But the quality of our programs and the sustainability of our centres are under threat as a result of chronic and ongoing provincial funding shortfalls. We're struggling and we're here today to ask for help in the 2009 provincial budget.

When the Harris government was in power it cut \$160 million from the provincial child care budget. They capped the wage subsidy and wage enhancement grant, stopped funding for pay equity, stopped providing inflationary increases to regulated child care, and downloaded administrative and delivery costs to our cities. When that happened, we had to significantly tighten our belts. We cut our own budgets in areas that were least likely to affect the quality of service that our children received. This meant cutting all the extras, including special events and field trips for the children, professional development for our staff, cost-of-living increases, and also reducing spending on equipment and maintenance. We survived and kept our doors open, but we were not able to increase the quality of our services or to respond to the ever-growing needs of parents in our communities.

For a time, our city government was able to help plug the holes in our budget by providing municipal dollars to cover uncontrollable and rising costs, such as heat, hydro, rent, health and insurance benefits, food for our children and, in some years, a small, below-inflationary-level increase for our staff wages.

We got through those very difficult years thanks to the help of the city of Ottawa. Without their contribution of what has amounted to \$4 million in unmatched funding, many of our high-quality programs would have had to close. We were, therefore, very excited and very hopeful when the Liberal government took office on the promise of Best Start and \$300 million in new funding for child care.

The goal of Best Start is to build an early learning and child care system that offers quality, universal, accessible and developmentally focused child care. The vision of a comprehensive and integrated system that includes parents, community services, health, education and our city in collaborative planning was like music to our ears.

We hailed the move from the invasive means test to the income test, and we looked forward with anticipation to the reports from the provincially appointed Best Start expert panels on curriculum, quality, and human resources, and also looked forward to the promised expansion of 25,000 child care spaces, knowing that there was a great need for these. But to be very frank, nothing has changed for our centres since that time. We still struggle, barely keeping our heads above water. After five years of Best Start, "early childhood and care services ... remain a patchwork of stand-alone, vulnerable service providers." I'm quoting here directly from the 2000 Early Years report by Mustard and McCain, but we can attest to the truth of these findings through our own direct experience.

The crisis in regulated child care that was created under the Harris government persists and continues to grow. Our city has faced year-over-year budget shortfalls and has tabled cuts to child care for three years in a row. This year saw 700 subsidized child care spaces on the chopping block.

We're falling behind, and the quality of our services is being eroded. The \$160 million cut from the provincial budget, the cap on the wage enhancement grant, lack of funding for pay equity and downloading to municipalities—these issues have not been addressed yet.

The province's allocated funding of \$7,500 annually per child is simply unrealistic. Our centres have done the math, and if we were to try to provide a program on \$7,500 a year, our staff would actually be earning \$7.90 an hour, which is less than the average minimum wage. The real cost of a child care space in one of our non-profit centres is not \$7,500. It ranges from just over \$10,000 for a preschooler to \$18,000 for an infant.

Although the province has conferred professional status on our employees through the Ontario College of Early Childhood Educators, it has failed to acknowledge our staff as professionals through the pay that they take home. The province has not provided a cost-of-living increase to our centres in over 13 years. We have managed a 9% wage increase over that time with the help of our city, whereas our counterparts and comparators in the public sector have actually received over 30% in wage increases in that same period. It's unconscionable that our employees have been so neglected by a government that claims to understand and value the importance of the work that they do.

While the province talks about the benefits of highquality early learning and child care, and while the expert panels have made clear recommendations about how to achieve a high-quality system, on the ground across the province we're seeing high-quality centres, the ones that are able to employ a trained, skilled, knowledgeable, fairly compensated and stable workforce, close their doors. As that happens, we can only expect to see further growth and development in the corporate child care sector. We've used every previous opportunity to raise our concern about the threat that corporate child care poses to the Best Start vision. Community planning is undermined when early learning and child care are viewed as a market commodity with profit-making as the central mission. In fact, this has been the experience in other countries such as Australia when it announced a national child care program and opened funding to the for-profit sector. In just a few years, Australia went from having 95% of its child care delivered through the nonprofit sector to just 30%; 70% of their child care is now provided through corporations, with one giant corporation controlling a quarter of all the child care spaces in that country. Australia no longer has a child care system that's part of their community, integrated with existing services and aimed at supporting children and families. It has a child care industry aimed at making a profit. We do not want to see the same thing happening in Ontario.

The economic crisis that we face now must not deter the province from investing in Best Start. Leading economists are calling on government to increase investments in social infrastructure. We know from economic research that investments in early learning and child care are good for the economy. They allow parents to work, to study and to contribute to the economy in a productive way. They keep families out of poverty. They support women's participation in the workforce, and prepare children to enter school and prepare them for success in later life. We're asking the province to honour its stated commitment to Best Start and to our children.

We're offering the following recommendations:

- (1) Commit the \$300 million promised at the time of election to address the funding gaps in the not-for-profit sector and the provincial-municipal cost share.
- (2) Resume provincial funding for pay equity, and fully fund the wage enhancement grant for all non-profits.
- (3) Implement the expert panel recommendation to develop a streamlined funding model for regulated child care.
- (4) Support growth in the not-for-profit early learning and child care sector by providing capital funding and the use of public assets such as closed schools.
- (5) Use full-day learning for four- and five-year-olds as the next step in building a truly comprehensive, integrated system of early learning and child care in the public and not-for-profit sector for all children from birth to 12.

Thank you very much.

1310

The Chair (Mr. Pat Hoy): Thank you. I noted you had that pretty well memorized. Now we'll go to the official opposition for the questioning.

Mr. John Yakabuski: Thank you very much, Susan and Jackie, for joining us today. You made a statement that leading economists are calling on governments to increase public investment in social infrastructure. These are just some of the difficulties at budget times. We also have leading economists who are telling us that government has to cut the tax burden on businesses, or they're going to disappear from Ontario. How do you deal with those balancing acts at a time like this? What do you recommend we should be doing? If those businesses are out of business, they're not paying the taxes that fund tax-funded programs.

Ms. Jackie Dwyer: We don't want child care and other social services to be lost in all of this. I know that there are other programs that need support as well, but if we don't provide supports to working families, then how can those families work?

Mr. John Yakabuski: What about the federal government, which was elected on a platform of choice, giving people the choice on a tax credit? You don't support that, or you feel that it's not—

Ms. Jackie Dwyer: We don't support that at all. We support actually supporting the services that provide—because credits to parents will not build child care

spaces, and the credits that parents receive for child care through the federal program do not come anywhere near to providing the cost that is actually required for child care for families.

Mr. John Yakabuski: What about families that choose to raise their children at home? I'm looking at the suggested numbers of \$18,000 a year. I come from a rural area, and I can assure you that there are people with two toddlers at home with a family income of \$30,000 or less—two parents, two children. How would we explain to them that we need \$18,000 a year in child care for one toddler?

Ms. Jackie Dwyer: First of all, \$18,000 a year is for an infant program, or a combined infant-toddler program. That's the cost in our community child care centres. I'm not saying that every child care centre across the province has the same costs. Not every parent is going to require child care, but we know from the research that many parents do require child care, and probably 90% of those parents who do require child care are not getting it in the regulated sector, although that is the preference for many parents. We have hundreds and hundreds of names on our waiting lists of people waiting for child care who can't access it, not because they can't pay, but because there are not enough spaces.

Mr. John Yakabuski: So the issue is the access to spaces as well.

Ms. Jackie Dwyer: It's the access to spaces. It's also subsidies for parents who require subsidies. It's building spaces, creating spaces.

Mr. John Yakabuski: What about increasing supports for people who do choose to raise their children at home?

Ms. Jackie Dwyer: I don't personally agree with providing supports in lieu of getting child care, if that's what's you're talking about.

Mr. John Yakabuski: Some people would choose to have a working parent and one parent who stays home and raises the children. Should we be increasing the support for those families who have made that choice?

Ms. Susan Mendelsohn: I'm not sure where the accountability would be in that, frankly, because what are you providing their funding for and what are they going to be doing with it?

Mr. John Yakabuski: Well, you're saying that you need \$18,000 a year of public subsidies to provide a publicly funded, fully funded, fully subsidized daycare space.

Ms. Susan Mendelsohn: I don't think we're saying we need \$18,000. I think we're saying that's the actual cost. Some of that is coming from the province; some of it, right now, is coming from our city; some of it is coming from the parents who use the service. We're just pointing out that the real cost and the cost that the province so far has put toward that—there is a big disconnect between them.

Mr. John Yakabuski: It's \$7,500. Ms. Jackie Dwyer: Exactly. Ms. Susan Mendelsohn: Exactly.

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

Ms. Susan Mendelsohn: Thank you.

ENVIROCENTRE

The Chair (Mr. Pat Hoy): And now we'll hear from EnviroCentre, if you'd come forward, please.

Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning from the NDP, in this case. I would just ask you to identify yourself for the purposes of our recording Hansard.

Dr. Dana Silk: Thank you, Mr. Chair. My name is Dana Silk. I'm the general manager of EnviroCentre. We're a non-profit organization, the city of Ottawa's official partner for delivering energy efficiency services. We've been doing that in eastern Ontario for the last 10 years now. In the last couple of years, we've worked notably with the Ontario Power Authority and Hydro One on a couple of contracts under which we provided about \$1,500 on average of upgrades to low-income families living in single-family, electrically heated homes. Unlike a lot of other programs like this, we show actual results. This is an online hydro bill from a family who two or three winters ago was paying up to \$600 a month to heat their home. We have, with \$2,000 of costeffective upgrades, generated actual savings-not modelled or projected, but actual savings—of over 7,000 kilowatts a year, which results in about \$1,000 per year. So in terms of cost-effectiveness, it's highly costeffective—a payback of less than two years.

We've also been helping churches, mosques and businesses adapt to time-of-use power rates. We're hoping that they will be introduced soon. We've been helping social housing communities with time-of-use electric thermal storage heaters. We've been helping over 500 Ontario Works households invest; we've been providing about \$150 worth of energy conservation devices. We are asking that the province—we have been doing this in cooperation with the province—extend that program to make ODSP recipients also eligible for this same kind of service.

If you'll notice, because we focus a lot on electrically heated homes with electric hot water, this is the average electricity consumption for many of the homes that we deal with. You will see that lighting accounts for a very, very small proportion. So I would urge you not to put anything in the budget to help people do this, because as Phil McNeely, our local MPP, points out, we're beyond the days of doing this. It's low-hanging fruit. We don't need to do that any more, and we certainly don't need to promote lighting because it's not going to have that much impact.

We're just wrapping up a program that's been funded by Enbridge. Enbridge has been directed by the Ontario Energy Board to help; I think 14% of its demand-side management programs must be allocated to low-income households. This is a before-and-after shot. This is a postwar home. We've helped 150 postwar homes save about \$500 a year. Thanks to about \$2,000 worth of upgrades, we have brought these 50-year-old homes up to current Ontario building code standards, which actually aren't nearly as good as they should be, but I'll get to that in a minute.

You might recognize one of the women in this upgraded basement. One of these women said: "Green infrastructure upgrades are very cost-effective and provide good jobs in communities around the province. We need them in as many social housing units as possible."

So, who was that? I think many of you might know Madeleine Meilleur. She's a good advocate for the kinds of things that we are trying to do.

EnviroCentre is also one of the leading delivery agents for the ecoEnergy Ontario home energy audit programs. We've delivered almost 10,000 now. What do they actually do? Most people are investing in draft sealing, furnaces and, of course, a lot of insulation work. What do they actually invest? I would urge you to look at the numbers down at the bottom. At least 61% of our clients have invested at least \$3,000 in energy efficiency upgrades.

In our experience over the last 10 years, we've been helping a lot of, notably, low-income, but also middle-and upper-income households invest in energy efficiency. When you add it all up, it comes to about \$28 million of energy efficiency investments that we have actually either done ourselves—we've done about \$1 million, and we have encouraged and generated almost \$27 million in addition to what we have done directly.

Why is that important? If you were to look at some of the recent studies coming out of the United States—this one, for example—their number one recommendation is a building retrofit program. They're also talking about public transit and rail. They're talking about smart grids and renewable energy, because according to the US experts, green investment creates nearly four times more jobs than spending on oil—and one might read into that, perhaps, spending on nuclear or spending on failing car industries. They're calling for a \$100-billion investment in the US. That would be roughly equivalent to a \$3-billion investment in Ontario. That would create about two million US jobs; in Ontario, about 65,000. It's a good start.

Here's a more recent study from the University of California, which over the last 30 years has reduced its energy intensity by 40%. That's a significant achievement. You might realize or remember that California is on the cutting edge. They had blackouts many years before Ontario had blackouts. Over the last 30 years, these energy efficiency measures have enabled California households to invest and redirect their expenditures and have created about 1.5 million full-time-equivalent jobs. If that were translated into Ontario terms, had we been investing in energy efficiency over the last 30 years, how many jobs would have been created in Ontario? Any guesses? How about 450,000?

Mr. Tim Hudak: I was going to guess that.

Dr. Dana Silk: Oh, you were? Good.

What we're urging you to do is to stop subsidizing capital-intensive energy consumption in Ontario. We need to invest in labour-intensive jobs in low-carbon economies.

Look at these numbers here. In Ontario, our energy consumption per capita is about 8,300 kilograms of oil equivalent per person, compared to Denmark with less than half. In Ontario, we're consuming almost three times as much electricity per capita as they are in Denmark. And why are we doing that? Because it's so underpriced. We are still subsidizing electricity in Ontario. We shouldn't be doing that. It's bad for the economy; it's bad for jobs.

So we're urging the finance committee to recommend to the Legislature, the government, to retrofit all social housing units, starting with those that we, the province, are paying for in heat—very quick paybacks.

We're urging you to support Bill 101, which is the Home Energy Rating Act. It's revenue-neutral, but it's going to help drive energy efficiency.

We're urging you to invest in plans for home and commercial energy efficiency upgrades. The PST that the province would get on these investments would more than pay for the plans—again, revenue-neutral.

We're urging you to update the Ontario home energy savings program to include electricity and exclude furnaces. There's no need to subsidize people who are going to put in high-efficiency furnaces anyway. That would be revenue-positive; we would be saving about \$500 in the province per home.

Here's a good one: We need to install Ontario-made—the keyword here—energy-efficient appliances in all low-income homes. We need to develop the manufacturing capacity for energy-efficient appliances in Ontario.

We need to update the Ontario building code. That would be revenue-positive, and that would create jobs in Ontario, because the Ontario building code is basically exporting jobs to northern Alberta. If that's what you want to do, that's your decision.

We need to prescribe smart growth, not suburbs—saving on the transport budget.

We need to update the Ontario Municipal Board. When I say "update," you might read into that. There are some other things that might need to happen with the Ontario Municipal Board. It is not promoting the kind of energy efficiency and sustainable development this province needs.

We need to invest in public transit, not private cars. Granted, the paybacks are a bit longer there.

We need to update the OPA, which is struggling to provide the kind of energy-efficiency services that this province needs.

We need to implement time-of-use rates really soon. Again, the Ontario Energy Board is struggling to deal with contemporary issues and it needs to get updated.

We need to implement conserver rates for electricity and natural gas. We're still subsidizing. The more gas you consume, the less you pay. We've made some progress on electricity, but not enough.

We need to exempt low-income households from fixed charges, including the debt retirement charge, which is an unfair burden on low-income households. That would cost maybe about \$75 million.

We need to update the Energy Efficiency Act, and we need to use the Energy Conservation Leadership Act for more than just clotheslines. Unfortunately, the only regulation that has been implemented under that act has been to harmonize bylaws dealing with clotheslines. I would suggest that we could be much more aggressive and ambitious.

Finally, we need to establish an Efficiency Ontario organization, which would have pretty good paybacks. What is that, you might ask? Efficiency Vermont was established eight years ago. It's a state-wide organization that provides energy efficiency services, technical assistance and financial assistance for households and businesses. It's helping to drive the energy efficiency market and employment in Vermont. You may say, "Well, that's an American example." How about this: Efficiency New Brunswick has been around now for about three or four years and they are doing the same thing. They're offering practical solutions to help New Brunswick businesses, home owners and industry invest in energy efficiency. With relatively few examples, that is currently not happening in Ontario, and that's what we need

The Chair (Mr. Pat Hoy): Thank you. The questioning goes to the NDP's Mr. Prue.

Mr. Michael Prue: Thank you very much for your deputation here. You've made a couple of suggestions. I'm just wondering how serious you are about reforming the Ontario Municipal Board. Personally, I think it probably should be abolished. We're the only province that still has a municipal board. Why do you think changing it is better than abolishing it?

Dr. Dana Silk: If you want to abolish it, I would certainly not object.

Mr. Michael Prue: All right. You talked about the Ontario Power Authority. There are some who are suggesting that its semi-privatization and being broken down into component parts has actually hurt more than it has helped. Should we be rebuilding it back to the way it existed pre-Harris?

Dr. Dana Silk: No. We should be investing in an organization like Efficiency Ontario that could provide practical solutions and really start to move Ontario toward a culture of conservation. Unfortunately, the old models have not worked terribly well and the OPA is struggling. It has not been able to implement the programs for which it has the authority to do so. There have been problems with its links with the local distribution companies. There are big issues there. It's very difficult to do this kind of thing from a centralized organization based, practically, on Bay Street in Toronto.

Mr. Michael Prue: You talked about retrofits and upgrades. We've had a great many deputations talking

about doing that for the MUSH sector, municipalities, universities, schools and hospitals, as well as the province. Your deputation was in terms of having individuals, home owners and the like, do it. Should we be doing a combination of the two or should the government be making its push on the larger projects within the MUSH sector of the provincial sector?

Dr. Dana Silk: I would say all of the above.

Mr. Michael Prue: All of the above?

Dr. Dana Silk: Yes.

Mr. Michael Prue: In terms of home owners, that would likely have to come in the form of either grants or tax incentives, as opposed to direct spending.

Dr. Dana Silk: There's no need to give home owners who are about to invest in a high-efficiency furnace—91% do so anyway—a grant to make what is already a very cost-effective investment. There is no need for public funding to make cost-effective investments, to reward people for doing what they should be doing anyway. Mid-efficiency furnaces for new homes have been ruled off the market by the Ontario building code. A regulation should be passed under the Energy Efficiency Act to rule them off the market for existing homes. But the main point is, they are very, very cost-effective and there is no need to subsidize cost-effective investments.

1330

Mr. Michael Prue: I take it, then, that would involve high window—

Dr. Dana Silk: Windows are not cost-effective investments, no.

Mr. Michael Prue: They're not? **Dr. Dana Silk:** No, they're not.

Mr. Michael Prue: How about—I'm just trying to figure out all the things that you think are cost-effective.

Dr. Dana Silk: Insulation, air sealing, all the things that don't get a lot of press, that aren't very visible. But certainly insulation, one of the most cost-effective things that you can do; air sealing. That's why the US study highly recommended the building upgrade program, especially for public facilities, including social housing, for which the province—we—are paying the heating and cooling bills. It makes no sense whatsoever not to invest in these buildings first. These investments would create good jobs in every community across the province. They would be ongoing jobs, very good jobs.

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

Dr. Dana Silk: Thank you.

ODSP ACTION COALITION

The Chair (Mr. Pat Hoy): Now I call on the ODSP Action Coalition to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning coming from the government in this round. I'd just ask you to identify yourself for our recording Hansard. You can begin.

Ms. Terrie Meehan: Hi. My name's Terrie Meehan. As an introduction, this month the world celebrated the

60th anniversary of the proclamation of the Universal Declaration of Human Rights. As this committee considers the 2009 Ontario budget, we ask that you be guided by those principles that we all respect, particularly articles 25 and 27, which are relevant to our coalition's recommendations.

Just in case you folks haven't read them recently, we have them here. Article 25(1): "Everyone has the right to a standard of living adequate for the health and wellbeing of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."

Article 27 states in part (1), "Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits."

On to our recommendations. The ODSP Action Coalition is made up of ODSP recipients, community agencies, disability groups, mental health service providers and community legal clinics across the province. We work to enhance the human rights and dignity of people with disabilities by seeking improvements to the Ontario disability support program's rules, policies and levels of income.

The ODSP Action Coalition calls on the Ontario government to:

- (1) Increase social assistance rates to reflect average market rents, as determined by the Canada Mortgage and Housing Corp.; average utility costs; average cost of a nutritious food basket, as determined by municipal boards of health; and money for all other basic needs such as medical and accessibility needs, transportation and telephone.
- (2) Index Ontario Works and Ontario disability support program rates to inflation.
- (3) Create a social assistance rate board that would include people on OW and ODSP and anti-poverty and disability groups to recommend rational and just criteria for determining OW and ODSP rates.
- (4) Let ODSP recipients who are able to work keep at least enough of their work income to get to the poverty line before their earnings are clawed back.

The current provincial government has provided small increases roughly equal to the cost of living—2% or 3%—in four out of the last five years. But these raises come after more than a decade of no increases at all to ODSP. The situation is even worse for people on OW, where rates were cut by 22% in 1995 and then frozen. So even with the recent increases, the real incomes of people on OW and ODSP have declined greatly when inflation is taken into account. The value of ODSP benefits for a single person dropped by 18.2% from 1992 to 2005. The value of OW benefits for a single person dropped by 34% during the same period.

However, percentages and statistics are not what count for people. What matters is whether they have enough money each month to cover their needs. Even with the most recent 2% increase to ODSP rates, people with disabilities still have problems paying their rent and trying to eat nutritiously. They still have to worry about whether they can afford a bus ticket to go visit a friend. The isolation and mental stress of having a disability and being poor continues to negatively affect their health.

Similarly, since the last increase to OW rates, parents on OW still have to go hungry to feed their kids Kraft Dinner, they still have to shop at food banks, and they still worry every month about whether they will be able to pay their rent and all their bills.

Single people on ODSP get a maximum of \$454 for shelter, far below the average cost of a bachelor apartment or a one-bedroom unit across the province. A bachelor is \$677 on average in the province, and a one-bedroom is \$812 across the province. Rent costs in Toronto, where half of the people on ODSP live, are \$752 for a bachelor and \$919 for a one-bedroom unit.

Also, the 2009 budget must take real action on poverty reduction. The poverty reduction strategy that was announced on December 4 is a foundation that we can all build on to reduce poverty. However, it does have serious omissions, such as the lack of any measures to assist adults with disabilities. If the strategy actually is going to make progress towards meeting any of its targets, it needs significant resources in this budget.

People with disabilities experience higher rates of poverty than the general population. We understand that the initial focus of this strategy will be on families and children. However, if the government is going to be successful in reducing poverty, the strategy will need to reduce poverty for everyone, including people with disabilities.

We have been working for years to get improvements to the Ontario disability support program, which many people with disabilities struggle to live on, so we are pleased to see that a review of social assistance will be part of the strategy. We would like to see a review focus, not only on supporting people to move from OW or ODSP into the workforce, but also on how to make this program easier to access and more responsive to the individual needs of people with disabilities. It's crucial that people with disabilities find work that pays well enough to live on and fits their skills and abilities. It's also crucial that people with disabilities who are not in the workforce aren't left out of the strategy.

We want to be actively involved in this review and bring a lot of experience to the table. Many of our members are on ODSP and have lived experiences of the many barriers in the current system. Our coalition has also done a lot of work in developing recommendations for how to restructure social assistance so that people with disabilities can live with respect and dignity.

The current disability program has many punitive and counterproductive rules that hinder rather than help people. I believe we're now calling them "stupid rules" all over the province.

The government announced changes to three rules, and we hope that these small steps will lead to more significant reforms that will help people with disabilities escape poverty. From this strategy, we want to see social assistance transformed so that the focus is on reducing poverty and supporting people, whether they are working or not.

ODSP rates are not adequate to meet people's needs, let alone accommodate the additional costs of their disabilities. We are pleased that the government has indicated that it will be improving people's incomes as part of the strategy. We would like to see this happen early on. The increases need to be significant and extend not only to families and children, but also to singles and couples.

In conclusion, the ODSP Action Coalition will be looking for a significant financial commitment in the upcoming provincial budget to back up the commitments made in this strategy to reduce poverty. Not only will increasing incomes help people who are struggling, but it will also pump much-needed money into the local economy. Low-income people would spend that money for basic necessities, thus helping businesses in their communities. Taking real action on poverty for all in need, both adults and children, makes sense financially and from a human rights perspective. Thank you.

The Chair (Mr. Pat Hoy): And thank you. Questioning goes to the government. Mr. Arthurs.

Mr. Wayne Arthurs: Thank you, Mr. Chairman. Ms. Meehan, thank you so much for being here this afternoon. We appreciate you taking the time.

Ms. Terrie Meehan: Thank you.

Mr. Wayne Arthurs: A couple of questions. I think they were maybe asked at an earlier point, at least in some way, during some of our earlier presentations that we've had to this committee. Those on ODSP—some individuals, with their families, will be able to move back into the workforce at some point and maybe stay there in a full-time capacity.

Ms. Terrie Meehan: We hope.

Mr. Wayne Arthurs: For others, they may find that moving into the workforce on a part-time basis is something they can do, but looking to full-time employment for the long term is not going to be viable for them. In some instances, people just won't be able to move back into the workforce.

For those who find themselves in a position to move back into the workforce, whether it be full-time, or parttime for an extended period, or something other than that, what would be the kind of primary supports that would make it easier for them or possible for them to do that, should they find themselves able to move into the workforce?

You've mentioned things like eliminating or reducing the clawbacks so people can get themselves out of poverty with their ODSP support plus their earnings as one of the strategies that should be looked at in a more substantive way. What are some of the other things, the priority things, that would help folks on ODSP in the workforce to get into or stay in the workforce?

Ms. Terrie Meehan: Take away the cuts to the employment supports program. It used to be—I've been

around way too long—that the VRS worker actually helped the person find meaningful work. Now the program—as I understand from people who have gone through it, the contracted-out provider has to keep you in whatever job they find for you for 14 weeks before they get paid. What business can survive on that?

There is a lot getting people into any job. Personally, I wouldn't be able to function in a call centre. I would be in too much pain. I wouldn't mind the being-on-the-phone part, but being able to sit there for a number of hours with prescribed breaks—I can't predict when I have to get up.

Mr. Wayne Arthurs: Okay.

Ms. Terrie Meehan: Just one example of the jobs that the contractors have to find for the people, to keep them functioning financially.

Mr. Wayne Arthurs: Are there any other specific supports that are beneficial in assisting individuals moving into the workplace? I'm thinking of simple things like transportation. Are there additional transportation supports that would make it more beneficial?

Ms. Terrie Meehan: Yes. Across the province, I'm hearing different transportation—well, actually, there are specifics, as far as I can think of, just from friends I know who have disabilities.

For example, a friend in Kingston does work at a call centre and is quite enjoying it. Because she's working during the day, she can't get her medication because the delivery is during the day. She has trouble with the access bus in Kingston, just being able to get it consistently to and from work. It's costing her twice as much. Because she's working, she's no longer given the disability bus pass. I know it's different silos.

She's having trouble getting to and from a grocery store to get nutritious meals. She has the money but getting to and from costs her more money. She's not home at the time Meals on Wheels delivers because she's not able to be there and keep her job. So just looking at one person, there are all these things.

Another friend you've already heard of, Angela in St. Catharines, probably gave you a whole laundry list of things and more adequately described them because she is working with a disability. Currently, I do things like this for fun.

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

Mr. Wayne Arthurs: Thank you so much.

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

Ms. Terrie Meehan: Thank you.

OTTAWA POVERTY REDUCTION NETWORK

RÉSEAU DE RÉDUCTION DE PAUVRETÉ D'OTTAWA

The Chair (Mr. Pat Hoy): Now I would ask the Ottawa Poverty Reduction Network to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of ques-

tioning, which will come from the official opposition in the next round. I'd just ask you to identify yourselves for the purposes of Hansard.

Ms. Linda Lalonde: My name is Linda Lalonde, and with me is Françoise Viau. We will be presenting in both languages, so you may want to get your translation devices ready. The trick is, when she starts to speak, it will be in French.

We're members of the steering committee of the Ottawa Poverty Reduction Network/Réseau de réduction de pauvreté d'Ottawa. Françoise is the president of Entraide budgétaire, one of our member agencies, and I am a community rep on the committee.

Thank you for this opportunity to speak with you about the 2009 provincial budget. We have structured our brief around the five questions posed by the minister. You have copies of the whole document, and we will be speaking to parts of it today.

The top priority: Your top priority needs to be the survival, growth and development of the economy and the residents of Ontario. Our hope is for a new consumerism that is responsible and sustainable both for individuals and governments. This means that you do not spend what you do not have, you only borrow when you have a reasonable expectation of repaying the loan in a manageable way, and you do not borrow long-term for consumable goods.

Mme Françoise Viau: Nous avons besoin d'opportunité égale pour toutes les Ontariennes et Ontariens. Nous croyons que toutes les politiques du gouvernement, particulièrement celles touchant aux politiques économiques, doivent contribuer à égaliser les chances pour tous. À tous les niveaux, le gouvernement et la communauté doivent développer une vision commune et combattre l'individualisme qui sévit actuellement dans la société canadienne. Travaillons ensemble pour développer une meilleure société où la vision partagée par tous serait le bien-être de tous ses citoyens. Éliminons les barrières et les iniquités sociales et valorisons la contribution de chaque citoyenne et citoven ontarien.

Ms. Linda Lalonde: We applaud the investments of the last year in areas such as social housing, child care, social assistance rates and the rent bank, among others. We also appreciate that you have started to follow through on your commitment to poverty reduction. We particularly acknowledge the work of Deb Matthews and the cabinet committee in this area. Poverty reduction has to be based not on income but on the right of the individual to have medicine, food, education, clothes, housing, recreation etc.

M^{me} Françoise Viau: La stratégie de réduction de la pauvreté ontarienne doit donner l'espoir aux enfants et aux adolescentes et adolescents pour qu'ils puissent constater qu'il existe des possibilités qui les sortiront de la pauvreté. Le gouvernement de l'Ontario doit augmenter les programmes de soutien à tous ses citoyens: pour les jeunes, une éducation gratuite au primaire et au secondaire et des programmes culturels, de

loisirs et de services sociaux adaptés à leurs besoins; pour les parents et autres individus de la province recevant des prestations du gouvernement, un revenu adéquat qui permettrait d'avoir un logement soluble et de la nourriture pour les 30 ou 31 jours du mois, et qui répond à tous les autres besoins. Vu les difficultés financières précaires dans lesquelles se trouvent les gens recevant Ontario au travail, les revenus attribués sont inadéquats pour permettre à ces citoyens la possibilité de fournir leur plein potentiel.

Ms. Linda Lalonde: While there will be initial costs associated with reducing poverty, there will be accompanying savings. For example, families that are properly housed and fed will have less need to access the health system, and their children will have better success in school.

The AMO-Ontario-Toronto accord signed earlier this year "aims to achieve a vision that the province and Ontario municipalities share: an economically strong and competitive Ontario that offers a high quality of life to all of its residents." We share that vision but recognize that for all residents of Ontario to have equal access to a good quality of life, our society must invest heavily in improving the lives of those who are furthest from participating fully in the opportunities Ontario offers. To rebalance investments, we need the 2009 provincial budget to include the following elements.

We have three super-priorities. They are housing, housing and housing. Without safe, adequate and genuinely affordable housing, it becomes very difficult to carry on with a normal life. It should be the first element of any government budget and the predominant element in any economic stimulus package or infrastructure program. This must be done whether or not the federal government comes to the table with their share. If you look on page 9 of your document, you'll see a diagram that shows how housing impacts all other aspects of life.

We need you to redefine the "affordable" in affordable housing. Currently, "affordable" in Ontario means a house costing \$150,000 in small communities and \$350,000 in central Toronto. If affordability is going to be measured relatively, then people, not other houses, should be the point of comparison.

1350

You need to introduce, as part of an economic stimulus package in the budget, a three-year municipal infrastructure program for hard services that would invest \$8 billion in Ontario's communities, \$3.5 billion of which would be allocated to social housing. It would also require a municipal contribution, either financial or inkind, of at least 10% of the cost. All funding would be allocated on a 50-50 basis to support 50% new development and 50% repairs or renovations to existing infrastructure. Each application would have to contain both elements. For example, if \$120 million were allocated to the city of Ottawa for housing, \$60 million would go to constructing new social housing and the other \$60 million to repairing existing social housing.

Take Ontario Works off the property taxes over the next three years; that is, by December 2011. In return for this acceleration, the municipalities would have to agree to reinvest the savings in other local human services, which could be either municipally or community-operated, for a minimum of 10 years.

M^{me} Françoise Viau: Nous vous demandons d'investir dans un système de garde sans but lucratif avec 50 000 nouvelles places subventionnées sur une période de trois ans afin d'offrir une opportunité aux enfants. Les places subventionnées permettront aux parents à faible revenu, spécialement les familles monoparentales, d'avoir accès à des emplois ou à une formation afin de faciliter leur participation à la vision de la province de l'Ontario.

Ms. Linda Lalonde: The balanced budget/deficit question: The situation in Ontario has changed drastically even since the economic statement in October. We need to maintain a long-term view while finding short-term solutions. It may be necessary to enter into a deficit in the short term in order to invest in the long-term stability of the economy and of Ontarians.

M^{me} Françoise Viau: Nous croyons qu'investir dans nos communautés dans les moments difficiles comme celui-ci va aider à adoucir la tempête financière et bâtir un Ontario que l'on veut. Peter Hume, président de l'Association des municipalités de l'Ontario, en réponse à la province sur la stratégie de réduction de la pauvreté, a affirmé : « À la lumière des incertitudes économiques, il est plus important que jamais d'appuyer fortement nos citoyens vulnérables.... Comme nous le savons, les placements sont les pierres angulaires pour redresser l'économie ontarienne. »

Ms. Linda Lalonde: The question of which government programs to delay: We can't tell you which programs, if any, to delay because we don't have an understanding of every program the government provides. However, we can tell you which programs should be introduced, kept, and/or augmented.

First, the full amount of the Ontario child benefit should be paid in 2009 and it should be indexed in subsequent years. The full OCB and NCBS should be paid to social assistance recipients without any deduction from the family income.

M^{me} Françoise Viau: Le salaire minimum augmentera de 0,75 \$ au 31 mars 2009 et au 31 mars 2010. Ceci apportera le taux à 10,25 \$. Nous vous demandons d'accélérer le processus en additionnant 0,75 \$ au 30 septembre 2009 afin d'atteindre un montant de 11 \$ l'heure au 31 mars 2010. Ceci est une augmentation approximative de 25 % répartie sur deux ans. Cette augmentation annuelle est nécessaire pour sortir le travailleur qui travaille plus de 40 heures par semaine, 52 semaines par année, de la pauvreté telle que déterminée par l'échelle du seuil de la pauvreté de Statistique Canada, mieux connue sous LICO.

L'assistance sociale doit aussi être augmentée de 10 % par année jusqu'au moment où elle atteindra le minimum requis par l'échelle des personnes à faible revenu de

LICO. Cette augmentation peut paraître énorme, mais il y a quelques années, les députés provinciaux se sont accordés près de 25 % d'augmentation, en allouant 2 % de plus aux personnes les plus pauvres de la province. Voici un exemple de l'inégalité de la distribution des fonds du gouvernement. Lorsque les assistés sociaux auront rejoint le minimum de l'échelle LICO, les prestations devraient augmenter annuellement au même pourcentage que les salaires des fonctionnaires de la province ou à celui du coût de la vie.

Ms. Linda Lalonde: Fourth, shelter allowances for social assistance recipients should reflect the actual cost of housing in the recipient's community.

Fifth, in this budget, funds should be provided to schools to equalize programs and services so that no child has to pay for any program or activity fees and the same education is offered regardless of where in Ontario the child lives or the socio-economic status of the school neighbourhood.

M^{me} Françoise Viau: Nous devons assurer un soutien aux personnes, et en particulier aux aînés et aux personnes handicapées, afin de leur permettre de rester chez eux. Les installer dans des institutions coûte beaucoup plus cher à la province que si on allouait des ressources financières aux organismes communautaires qui appuient les personnes à rester dans leur logement. Avec les programmes sociaux, les aînés ou les personnes handicapées gardent leur autonomie, les coûts de l'état sont réduits en moyen terme, et les citoyennes et citoyens participent mieux à la vision d'un nouvel Ontario. D'ici trois ans, la province doit mettre et accroître les subventions pour les services communautaires et autres services de soutien afin de permettre aux personnes aînées et aux personnes handicapées de rester chez eux.

Afin de fournir un soutien aux personnes ayant besoin d'aide à une pleine autonomie, le gouvernement Ontarien doit construire des logements sociaux avec appui du type Options Bytown. Dans les trois prochaines années, le gouvernement devrait construire du logement qui permettra de loger 4 000 personnes. Puisque dans les logements on retrouve normalement de deux à quatre personnes, ceci signifie 1 550 à 2 000 unités de logement. II faut se rappeler que ce type de logement, à cause des clientèles qu'il dessert, pourrait faire économiser de l'argent à moyen terme en évitant des déplacements dans les soins de santé et des conflits avec le système judiciaire. Les travailleurs de ce type de logement peuvent intervenir et appuyer le locataire avant qu'il ne soit en crise. Par exemple, il coûte 1 500 \$ par mois pour garder une personne dans un logement de soutien et 1 500 \$ par jour dans un hôpital.

The Chair (Mr. Pat Hoy): You are about a minute and a half over your allotted time, so we'll move to questioning. It will come from the official opposition. Mr. Yakabuski.

Mr. John Yakabuski: You talked about levelling the playing field, and in that context I want to talk about deficits, because the money has to come from somewhere. It either has to be because of deficit financing or

increased revenues. If you're going to increase revenues, you're going to have to either have more people paying taxes or more businesses paying taxes, or the ones that are currently paying those things are going to have to pay more. Given those choices, what do you think the government should be doing: running bigger, more and longer deficits? Increasing taxes?

Ms. Linda Lalonde: Our suggestion is that a deficit in the short term is acceptable. We would have problems with looking at another 20 years of deficit financing, but when we have the kind of economic situation we have today, it's important for government to move in and act with deficits based on the short term. If you look at the very beginning, we also said that whatever kind of setup you have, you only borrow money that you know you can repay over a reasonable, manageable period of time. So we're not talking about borrowing money for things that—first of all, you don't borrow money for consumables if you're an individual, and the government should not be doing that either. So we would see deficits acceptable in the short term but not in the long term.

Mr. John Yakabuski: But what do you consider short-term?

Ms. Linda Lalonde: Five, 10 years.

Mr. John Yakabuski: Five or 10 years is short-term. Okay. I'd consider that long-term, but again, that could be one of our differences, maybe.

You talked about the need for the government to upload the cost of Ontario Works, accelerate that much faster than—what is it?—over the next 10 years, basically.

Ms. Linda Lalonde: I think it's over nine.

Mr. John Yakabuski: So it's a significant drain on municipalities like the city of Ottawa.

The other thing I wanted to ask you about, because you talked about minimum wage increases and the need for that to be kept up: How do you feel—and I asked this question of somebody earlier—about something that has been recommended by some politicians, some economists and some social advocates: a guaranteed annual income?

Ms. Linda Lalonde: It certainly is something that would—if you want to see a level playing field, that would do it. It takes a long time to implement such a thing, and we're in a bit more of a hurry than a guaranteed annual income would take. But certainly over the long term that's something that I think we should be looking at for Ontario.

1400

Mr. John Yakabuski: Based on your submission, you definitely do look like a couple of ladies who are in a hurry; there's no question about it.

You also talked about keeping people in their homes longer as they age. One of the things I've noticed, and you can tell me if you've seen it as well, is where the government talks about spending more money on keeping people in their homes longer, but we don't seem to see more people getting services in their homes longer because so much of it seems to be tied up in endless reams of paperwork, as opposed to delivering services to

seniors and keeping them at home. Do you see that, or is that not an issue for you?

M^{me} Françoise Viau: Oui, on voit ça certainement dans la communauté. Je crois que c'est soit—il y a des raisons. Il y a l'argent qui n'est probablement pas bien distribué. Souvent, les associations n'ont pas assez d'argent pour embaucher du personnel supplémentaire, ce qui fait qu'on ne peut pas répondre à la demande. Et parce qu'on ne peut pas répondre à la demande, les gens sont obligés d'aller en institution. Alors, oui, il y a trop de paliers puis—comment on dit ? Il y a trop de chefs et pas assez d'Indiens; c'est ça qui arrive. Alors, quand le temps arrive où on en a besoin, il n'y en a pas.

Ms. Linda Lalonde: I think the other thing you need to recognize, though, is that every dollar that you spend on keeping someone in their home is probably \$10 saved by not spending it somewhere else.

Mr. John Yakabuski: But what I take from you is, you're saying not enough money in front-line services, a whole lot of money being eaten up in this milieu that is the system.

M^{me} Françoise Viau: Yes.

Mr. John Yakabuski: Thank you very much.

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

M^{me} Françoise Viau: Thank you very much.

GREATER OTTAWA HOME BUILDERS' ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Greater Ottawa Home Builders' Association to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning coming from the NDP in this rotation. Simply state your name for Hansard and you can begin.

Mr. John Herbert: Thank you, Mr. Chairman, members of the committee. My name is John Herbert. I'm the executive director of the Greater Ottawa Home Builders' Association. I wanted to thank you for taking the time to listen to us today.

Our association is the voice of the residential construction industry in Ottawa. We have about 305 members involved in all aspects of the industry. This year we'll build an estimated 6,800 units, and we've contributed thousands of jobs both directly and indirectly to the local economy. This is actually the third-highest level of housing production in Ottawa's history, but the big question now, of course, is what's going to happen in 2009.

In this regard, the information to date is not very encouraging. To the end of November, year over year, new home sales in Ottawa are down about 23%. Assuming that this trend continues, it's possible that we could be down as much as 30% by December 31. This will, of course, cause a significant contraction in the construction industry in 2009. If home sales don't pick up between now and the end of 2009, we're going to see some

widespread construction declines and industry unemployment in 2010.

Our members are very concerned about the broader economic turmoil, the stock market fluctuations and job losses. Quite simply, if one is worried about whether or not they will have a job in the near future, they aren't going to be interested in purchasing a new home either. Furthermore, concerns about deflation mean that some consumers who may be in the market for a new home are sitting on the sidelines and are waiting for prices to maybe fall. These two factors, combined with the media attention to the housing situation that's happening in the United States, have effectively driven new home buyers away in large numbers, essentially since about September 1. Sales were okay up until the end of August, but as of September, things started to decline very rapidly.

We do, however, have reason to be somewhat optimistic about our local economy, given the very stable employment base generated by the federal government in Ottawa. There aren't many good things about big government, but that's one of them. Whereas private sectors such as the automotive are vulnerable to international economic winds, Ottawa's employment base tends to be insulated from the extremes of the marketplace. Many members of this committee will have experienced some of the housing industry lows in the past and will recall that we've never requested any kind of financial government assistance, even when thousands of our members were laid off. In this regard, we would ask the committee to be very careful about how the government of Ontario decides to infuse tax dollars into any bailout of the automotive sector. I think the reasons for the failure of the North American auto sector are now relatively clear, with the two main problems being high senior management salaries and high union remuneration. We would just encourage you to use caution in spending taxpayers' dollars on those problems. This is actually kind of a redundant comment now because when I was coming down here in the car, I was listening to some commentators talking about the announcement that Bush made this morning. I don't know how many of you-

Interjection.

Mr. John Herbert: Yes, well, one of the conditions is that the Big Three have to reduce their wage cost structure to equal those of the European manufacturers in the United States. It makes complete sense. Basically, the CAW is going to have to do that if they want to stay in the game. It's going to finally deal with one of the biggest problems in the auto sector.

With respect to the budget, the provincial government needs to be congratulated for running three consecutive balanced budgets, but obviously, during an economic crisis, we think the government would be prudent to begin running a deficit to stimulate the economy as long as these don't turn into structural deficits. The best way to make a significant infrastructure commitment is on the balance sheet through about two or three budget cycles.

Infrastructure spending for roads: Ottawa's new transit system, water and waste water facilities are all priorities

for home builders in Ottawa to ensure that we remain economically competitive. In the past decade particularly, we've seen a lot of infrastructure programs that were announced, and municipalities ended up spending the money on cultural centres, swimming pools, libraries. We've always taken the position that infrastructure dollars should be spent on hard services: underground, roads, water, sewer. Again, we're reminding members of the committee of this problem that has been experienced in the past and request that you try to ensure that infrastructure dollars that are spent are spent on hard services that are going to generate jobs.

In Ottawa, we would recommend that the province move quickly to support additional funding for the approved rapid transit system that we're just about ready to undertake, improvements to the sewage system to ensure that no further spills occur into the Ottawa River—I'm sure you've all heard about those—and lastly the Strandherd-Armstrong bridge across the Rideau River. All of the environmental assessments have been done. The money has been set aside municipally. All we're waiting for is provincial funding, so that would be an easy project to launch.

Furthermore, to support municipal infrastructure funding, we applaud the steps taken in the Provincial-Municipal Fiscal and Service Delivery Review to upload social services from the municipal tax base. Our members are, however, concerned that despite the broader economic turmoil and cyclical slowdown that our industry is experiencing, the province is continuing to deal with public policy initiatives that could further dampen the performance of the industry in 2009. We're worried about those.

Some examples are mandatory residential fire sprinklers. We saw where those were introduced in high-rise buildings last year at a cost of \$5,000 to \$6,000 a unit. There's still talk about sprinklers being made mandatory in single-family homes in Ontario, again \$7,000 to \$8,000 a unit. The odds of dying in a residential fire death are three times lower than dying by drowning, so it's something that makes no sense to us and is going to cause additional cost increases.

Mr. John Yakabuski: Mandatory life jackets as soon as you get out of bed.

Mr. John Herbert: Yes.

The mandatory WSIB coverage that was implemented recently is going to drive a lot of our members underground. It's going to dramatically inflate the underground economy, particularly given the credit crisis that we're going through right now. It would have been tough enough, but the implementation of WSIB is a giant leap backwards.

The province is continuing to pursue the college of trades. Last year they tried to discuss compulsory certification and failed on that front. We believe it's primarily a union-driven activity. When that failed, they now seem to be trying to go at it again through the back door by creating a college of trades. It's a duplication of func-

tions. It's a duplication of Algonquin College here in Ottawa. It's a waste of money.

Some of the changes to the Planning Act are allowing municipal governments to require green initiatives and architectural guidelines that are going to be costly.

Lastly, granting of tax and regulatory authority to municipal governments is a problem. I'm sure most of you have seen the reports that have come out in the last week out of the city of Toronto whereby their land transfer increases have resulted in a 16% decline in new home construction in Toronto. So they've paid a very heavy price for it. Those are the kinds of problems that we're going to see if more cities in Ontario are given authority to tax and regulate.

1410

Policy initiatives deserve some congratulations, for sure, on infrastructure investments, and we expect to see more of those. Not opening the Development Charges Act was a huge step for our industry across the board because, again, it would have resulted in dramatic price increases. And we want to congratulate the government for the funding that was made available for Algonquin College's expansion for the construction trades school.

These are just a few of the initiatives that will impact housing affordability and choice. The combined cost impacts of these numerous increased regulatory standards and fees and other initiatives under discussion, such as inclusionary zoning, could eliminate thousands of would-be homeowners from the housing market. Given the state of the provincial economy, the province would be well advised, we think, to exercise caution when considering any public policy that would negatively impact housing affordability.

Let me conclude by stating that there is tremendous uncertainty in our industry today. Although, as I mentioned earlier, we're very grateful to be in a geographic region that enjoys such a large, relatively secure employment base in the form of the federal government, we also know that no area can remain completely immune from the effects of the massive international economic upheaval we're currently experiencing.

As the engine that drives the regional economy, the residential construction industry pours millions of dollars into provincial coffers. I gave you a handout, which you'll see has a few highlighted statistics on it regarding some of the things that our industry has contributed to the local economy, the provincial economy and the federal economy.

To summarize, the housing industry is alarmed by the rapid deterioration of the global economy. The key issue that should be addressed in the 2009 provincial budget is a fiscal stimulus package that focuses attention on a significant investment to renew and expand hard infrastructure and job creation as soon as possible.

Thank you for your attention. I'd be pleased to try to answer any questions that you might have.

The Chair (Mr. Pat Hoy): Thank you. We'll go to Mr. Prue of the NDP.

Mr. Michael Prue: On the very first page, you put down that concerns about deflation mean that some consumers who may be in the market for a new home are sitting on their hands and waiting for prices to drop. In fact, I think that's probably the prevalent attitude. People are seeing house prices going down; they're not about to jump into the market. I've been around Ontario and I've seen, almost everywhere I go, new homes with signs out in front with the old price slashed and the new one there, and it's \$20,000, \$30,000, \$50,000 less. Is that surprising to you at all?

Mr. John Herbert: No, it's not surprising. As I mentioned in my presentation, we're very fortunate in Ottawa, in that we tend to be somewhat immune from that. But there's no question that it is taking place right across this country.

Mr. Michael Prue: In fact, that leads me to believe—and I want to get your opinion—that it is the funding of infrastructure, it is the funding of retro-upgrades and things of that nature, that is more likely to take place than new home construction in the next year.

Mr. John Herbert: I think that's true. We're counting on the provincial government to make sure that happens; to spend the money on the infrastructure that we require.

Mr. Michael Prue: You went on to say a couple of things that you consider negative that I thought were absolute positives—mandatory residential fire sprinklers. I saw on the news this morning, albeit in Saskatchewan, that a man, a wife, two kids and a fifth person burned to death in a house. A fire sprinkler would have saved them all

Mr. John Herbert: There are a few issues to deal with here. It's a complex matter. The first question is, how old was that home? When I talk about residential fire extinguishers, I refer to new residential construction. In Ontario, all new homes require mandatory hard-wired smoke detectors. The odds of a person dying in a fire in a new home in Ontario are about zero. Smoke detectors save lives; sprinklers save property.

Mr. Michael Prue: We've got here mandatory WSIB coverage. This was a little contentious. I know my colleagues the Conservatives didn't like it much over the last few weeks. Is it fair in construction industries that some workers are covered by WSIB and others are not; some companies pay, others do not; the underground economy gets away with things, others do not?

Mr. John Herbert: I think what is fair for our members is that they have insurance. That is the priority, that everybody is covered by insurance. What we object to is that it be government-controlled insurance and therefore much costlier than other forms of insurance that are equally good. There should be a choice here.

Mr. Michael Prue: Okay. So you're not objecting to people being covered, just being covered by the government?

Mr. John Herbert: Yes.

Mr. Michael Prue: Okay. You went on to talk about municipally initiated green building standards. It seems everyone in the world is pushing for green roofs and insulation as part of the job that you are hoping your members are going to get, but you don't want that to be initiated by municipalities?

Mr. John Herbert: That's correct—by government. It should be something that's done by example, not by force

Mr. Michael Prue: Yes, but how do you expect your members are going to get jobs unless there is a requirement to do it? Just that people wake up in the morning and feel good about it?

Mr. John Herbert: No. I think as the market proves itself and the technology proves itself, these measures will be automatically adopted by new homebuyers and by the industry. It's only when government begins to force things on the population that they can easily backfire, things like ethanol. It was basically a thrust by an environmental group that was adopted by government and opted by the farm lobby and it's a disaster. Those are the kinds of "green" things that can become very problematic if they're not analyzed properly.

Mr. Michael Prue: The last one here that I have is the granting of tax and regulatory authority to municipal governments. Ontarians pay the highest property taxes of any jurisdiction in the world. Municipalities are having a hard time raising those property taxes; they're looking for other alternatives. What would you suggest if municipalities require additional monies?

Mr. John Herbert: What would I suggest? I can only speak for Ottawa. I would say that if things were run more efficiently, that would be the most important thing that could be done to restore some health to the economic viability of the government. There is just a lot of waste, a lot of inefficiency and a lot of misspending that goes on. I think that would be the first step.

I think there's also a lot of truth to the notion that a lot of municipalities in Ontario have fallen way behind in terms of their tax increases, in trying to get re-elected. There are reports from the Canadian Home Builders' Association that show that some of the major cities across Canada are as far as 20% below simple cost-of-living increases and inflationary factors over the last two decades. I think there's a case to be made that government should be collecting more money than they are, too.

Mr. Michael Prue: Raise property taxes?

Mr. John Herbert: That's one of many elements that could be considered, yes. I don't think there's any one factor that's prominent. I think there are a lot of factors; there's a basket of things that need to be addressed.

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

I want to thank the members and all our support staff over the last week. Have a safe and happy holiday. We are adjourned.

The committee adjourned at 1418.

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CONTENTS

Friday 19 December 2008

Pre-budget consultations	F-759
Kinark Child and Family Services	F-759
Hintonburg Community Association	F-761
Citizens with Disabilities-Ontario	F-763
Kingston Community Roundtable on Poverty Reduction	F-765
Alliance to End Homelessness—Ottawa	F-768
Council of Ontario Universities	F-770
Ottawa Council of Women, health committee	F-772
Somerset West Community Health Centre	F-774
Renfrew County Child Poverty Action Network	F-777
Provincial Network on Developmental Services	F-779
Canadian Union of Public Employees, Ontario division	F-781
Canadian Union of Public Employees, Local 2204	F-782
Ottawa Federation of Parent Day Cares	F-784
EnviroCentre	F-787
ODSP Action Coalition	F-789
Ottawa Poverty Reduction Network / Réseau de réduction de pauvreté d'Ottawa	F-791
Greater Ottawa Home Builders' Association	F-794