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ISSN 1180-4386

**Legislative Assembly  
of Ontario**

Second Session, 40<sup>th</sup> Parliament

**Assemblée législative  
de l'Ontario**

Deuxième session, 40<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Wednesday 22 January 2014**

**Journal  
des débats  
(Hansard)**

**Mercredi 22 janvier 2014**

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

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Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
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Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 22 January 2014

Mercredi 22 janvier 2014

*The committee met at 0900 in the Best Western, North Bay.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Kevin Daniel Flynn):** If I could ask the members to take their seats please. Welcome, ladies and gentlemen, to the Standing Committee on Finance and Economic Affairs.

## CITY OF NORTH BAY

**The Chair (Mr. Kevin Daniel Flynn):** On the agenda before us, our first delegation this morning is from the city of North Bay. Mayor Al McDonald, if you'd like to come forward, Your Worship, and perhaps bring Jerry with you?

**Mr. Al McDonald:** Anywhere here?

**The Chair (Mr. Kevin Daniel Flynn):** Anywhere you're comfortable. The floor is all yours. You have 15 minutes; use that any way you see fit, Your Worship. If there's any time left over, our questions this morning will come from the Conservative Party.

**Mr. Al McDonald:** I feel like I'm on the old show Beat the Clock.

**The Chair (Mr. Kevin Daniel Flynn):** Yes, it is kind of like that.

**Mr. Al McDonald:** Good morning, everyone, and welcome to the city of North Bay on a wonderful northern Ontario day. I'm here with my CEO, Jerry Knox, and our CFO, Margaret Karpenko. I do have copies of my presentation if you want to distribute them to the members of the committee.

There were a number of topics that we wanted to speak to the committee about this morning. I'll just list them off very quickly for you: sustainable funding, the OMPF funding and infrastructure, energy, new policy development—that's the transportation tax and provincial pension plan—the Apprenticeship Training Tax Credit, "heads and beds" and the proposed increase on fuel.

The number one topic was sustainable funding. I know that the government released a rural program up to \$100 million that would be distributed to northern and rural communities for infrastructure, which we applaud, which we think is a good thing. The challenge that we have as a municipality is that we jumped through all the hoops and spent a lot of time, effort and staff costs to apply for the

program on one of our infrastructure projects that is critical to the needs of the citizens of North Bay, only to be turned down during the process.

One of the things that we find critical for reducing the infrastructure gap that's well known by everyone in cities across the country—and North Bay is no different. What we're looking for, what we think would be better is if there was sustainable funding; in other words, X number of dollars towards infrastructure each and every year so we're not holding our cap out asking for money. We have no issue if the program is around infrastructure—maybe it would be bridges or roads—if there were some conditions applied or some standards on that funding, but it would at least allow the cities and communities to be able to plan better.

Our current MPP, Vic Fedeli, would know this as the previous mayor of North Bay: We have a 10-year capital plan. We know what needs to be done in the next 10 years. We sit around the council table trying to develop our budget, and we don't know if we're going to get any funding for some of this infrastructure. For example, there was a bridge that we were hoping to get \$900,000 for, which is a critical link in our city; we were turned down. You can imagine, we're going through a budget process wondering if we're going to get money or not. I don't think that is the best use of our staff time or our elected officials' time.

If you're looking at some ideas when it comes to funding infrastructure, and I know it's important, look at sustainable funding that is per capita, or whatever the criteria is. We need to know how much it is in advance every year. As I said, it doesn't matter if it's tied to bridges or roads, we can use it.

On the OMPF funding, it's kind of a sore spot for a lot of the cities in the north. I know my colleagues in Sudbury, the Soo, Thunder Bay and Timmins raised this as well.

What we found was that the funding formula in the past was flawed. I know the previous mayor, the deputy mayor and the CFO made a presentation to the minister at the time and were basically turned down. We did an internal study that was backed up by KPMG, and it was very clear that we were shortchanged by \$2 million a year; I can provide those documents for you. So we're concerned about the downloading, if you will, of costs.

They are correct, in a way, that some of the costs have been uploaded to the province, but not the amount that is

being cut back in our transfer payments. We just wanted to make that clear, that OMPF funding is an issue for us.

I did touch on the infrastructure capital funding.

Energy costs: We are hearing more and more about the unsustainability of a lot of our manufacturing companies here in the city of North Bay, and I won't speak to any others—well, I'll speak to one just outside of North Bay. But we're hearing from them that the hydro costs are driving them out of the province—not just northern Ontario; they are driving them out of the province.

There's a local firm, and I'll state it, because they've been in the paper quite a bit, which—what's the name of it?

**Mr. Jerry Knox:** Fabrene.

**Mr. Al McDonald:** Fabrene is very concerned, and they're a global company, so they could pick up and go anywhere they want for competitive pricing. If energy costs are one of their large inputs into their costs, you can imagine that it's very easy for them just to set up a shop somewhere else.

We're also seeing energy impact our city budgets. For example, the global adjustment fee is over a million dollars more a year in our budget, which is transferred right to our taxpayers, and that doesn't get picked up. Our residents see it on their hydro bills, but they see it in their tax bills, too, so it is a concern.

I know that there's a Black and Decker company in the south. You're probably all aware of it. They don't believe they are ever going to be able to attract a manufacturer back.

I do know that there is consideration for the large, large users of hydro; there are breaks. I would suggest that you review that program and make small and medium-sized manufacturers eligible for that program, because truly they are the ones who are going to drive employment in our community.

I'm going to skip by the provincial pension plan, just because I know that I don't have time. Mr. Chair, I don't know how much more time I have.

**The Chair (Mr. Kevin Daniel Flynn):** You have about seven minutes.

**Mr. Al McDonald:** Seven minutes? Okay.

The Apprenticeship Training Tax Credit: You're starting to hear a lot about that in the last little while. I'm working with a number of mayors in southern Ontario, and we've formed a committee on the importance of the Apprenticeship Training Tax Credit.

We have almost 800 individuals in contact management in the city of North Bay. If you do it per capita, if you look at Toronto, Windsor or Oshawa when the auto sector went into decline and the government stepped up and provided incentives to keep the plants open, which we don't disagree with—if you were to cut back the ATTC and we were to lose that employment, the per capita number of jobs that we would lose in our city is not even close to what it would be if you lost the whole auto sector in the south. For example, in North Bay, 800 represents over 1% of our population. That gives you an idea of the hit that that would take. We know that there

are some issues with the program; we just ask you to review them, but it is critical for us.

On the heads and beds, which everybody sitting here is well aware of, we haven't seen an increase in that rate since 1987. To give you an example, of all the buildings we have in our community where it falls between the provincial and federal governments, we receive in lieu about \$490,000 in heads and beds. If they were just regular buildings that the citizens owned, we'd be getting \$5.5 million. So not only are we being shortchanged on the sheer cost of what it is to provide services to the buildings; our local taxpayers are actually subsidizing those buildings. We'd like to look to see that there be an increase in the heads and beds.

**0910**

There was a proposal that we wanted to speak out about, that we're hearing quite a bit lately, and that's the increased tax on fuel. I'm not going to go into too much detail, but we are totally against that. I have not heard one citizen in my city who would support that, and the drag that would have on our economy and tourism—and I'll go back, as mayor, because of our city budget—is substantial.

That basically concludes our presentation, Mr. Chairman. I'm not sure if there's an opportunity for Q&A, but—

**The Chair (Mr. Kevin Daniel Flynn):** Yes, there is. You've left quite a bit of time, almost four and a half minutes. Who's up first? Vic?

**Mr. Victor Fedeli:** Thank you very much, Chair. Welcome, everybody, to the hearings, and thank you for an excellent presentation.

I want to summarize a couple of things before we jump into one. On the sustainable funding, you talked about the cap in hand. I've heard other mayors talk about it as a lottery system. What you're saying is that you're in favour of a set number so that you can plan for your budget. Am I correct with that?

**Mr. Al McDonald:** Correct.

**Mr. Victor Fedeli:** The OMPF funding: We've talked for years about the flawed funding formula. I've been out of the municipal game for a couple of years and I'm not familiar any longer with the clawback. Is there still a clawback happening, or has that all been gobbled up?

**Mr. Al McDonald:** I'll answer very quickly and then I'll turn it over to my CFO. Absolutely; we know that the previous formula—we were short \$2 million. I'll turn it over because I know Margaret was part of the committee moving forward.

**Ms. Margaret Karpenko:** Good morning. The new formula is definitely an excellent move in the right direction. It alleviates that clawback issue that was in the former formula, so I'm very fond of the direction that the committee has taken in reviewing the OMPF.

The only issue in terms of sustainable funding is that the fund is continuing to be reduced. Even though the equity, in terms of how it's distributed, has been improved, it's critical to our ongoing operational sustainable funding for the municipality, and with that ongoing

decline of the funding envelope, it's putting a lot of pressures—almost 1% a year just on our tax levy. It's hard to predict because the new formula does take into consideration economic conditions within each community, so you can't forecast in terms of the long-term impacts on the formula, because it is adjusted every year for economic conditions.

**Mr. Victor Fedeli:** How much less did you get this year than you expected?

**Ms. Margret Karpenko:** Some \$560,000.

**Mr. Victor Fedeli:** And that's where you said it's about a 1% tax increase from that?

**Ms. Margaret Karpenko:** Yes.

**Mr. Victor Fedeli:** Okay. The energy, the global adjustment: You understand where that comes from. The price of the energy is about 2.5 cents a kilowatt hour and the global adjustment is about 8.5 cents a kilowatt hour from green energy, gas plant cancellations, things like that. You do understand that?

**Mr. Al McDonald:** Yes, and as I said, it's over \$1 million additional cost to our taxpayers.

**Mr. Victor Fedeli:** The apprenticeship training: I appreciate your comment on that because we have had two presenters from the industry present to this committee, and it's very important that we continue to hear from each community how important it is.

I'm going to use your expression, when you put it in perspective to the larger centres. To hear somebody say, "Oh, you're only putting 200 or 300 jobs at risk in your community"—when you do the multiplier of Toronto, that's a huge number. First of all, by the way, 200 or 300 jobs in any community is a lot, in my opinion. I'm going to start using that, putting it in perspective by proportioning the number to a Toronto number. I think they'll understand that a little bit better.

Your comments about the fuel tax: Do you acknowledge that not only are they looking at increasing the price of gas by 10 cents a litre, they're also talking about a half a per cent increase in the corporate tax rate, which would bring Ontario to 12%, the highest tax rate of all of the large provinces in this country? How do you think that will affect your business community?

**Mr. Al McDonald:** It's an awesome program if the idea is to drive manufacturers and companies out of the province.

**Mr. Victor Fedeli:** I'm going to leave it at that.

The one area you didn't talk about but is very nicely detailed in your proposal here is the proposed pension plan. You called it a plan that will stifle new investment. I know you skipped over it to make time at the end, but can we talk a little bit about that? It's something that has come up frequently.

*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** I'm afraid you won't be talking about it, but I'm sure you were going to say something incredible. Everybody will be available for you off-line—and if you would like to send in your presentation.

If you did have a closing summary though, Your Worship, if you want to take 15 or 20 seconds, feel free.

**Mr. Al McDonald:** First, just thank you for everything you do. I know how tough it is as elected officials when there's never enough money, but you need to know that cities are under distress. The policies that are happening at higher levels of government are making it very, very difficult not only on our communities but on individual taxpayers.

**The Chair (Mr. Kevin Daniel Flynn):** Great. We appreciate you coming this morning. Thank you.

#### ONTARIO REHAB ALLIANCE

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Ontario Rehab Alliance: Laurie Davis. If you'd like to come forward and make yourself comfortable—you have 15 minutes like everybody else, Laurie. This time the questions will come from the NDP.

**Ms. Laurie Davis:** Thank you. Good morning, everyone. I'd like to thank you for this opportunity.

I represent the Ontario Rehab Alliance. We're an association representing more than 90 health care organizations with over 4,000 health care professionals working with them. Our members are the primary providers of health and rehabilitation services to the 65,000 Ontarians—enough to populate a small city—that are injured each year in car accidents in this province.

We've appeared before a number of hearings on the topic of auto insurance over the years. Each time we appear, we note that in order for the auto insurance system to be stable, there must be a balance between protection of victims, insurer profitability and cost of premiums. Since the cuts made in 2010, these three pillars have been in a state of disequilibrium. The past changes have sacrificed premiums and protection to increase insurer profitability.

We applaud this government's actions to restore some equilibrium by insisting on a reduction in the cost of premiums. But we worry. We worry that protection will be further eroded if insurers' unsubstantiated claims of rising accident benefit costs are heeded. We know—and the GISA data backs this up—that insurers can remain profitable following a reduction in premium costs without further restrictions to accident benefits.

In 2012, the loss ratio for accident benefits in Ontario was 44. This means that out of every \$1 in premiums collected with respect to accident benefits, only 44 cents was paid out, leaving 56 cents on the dollar toward the insurers' bottom line. This 2012 loss ratio in Ontario was the lowest one in Canada.

Further, data released in late December by the Insurance Bureau of Canada, drawn from their Ontario Health Claims Database, paints an intriguing picture of what some of those cost drivers are.

In the period of July to December 2011, insurer-initiated clinical exams accounted for a shocking 30.6% of insurer-paid expenses, compared to only 7.8% for provider-initiated exams. This wasn't a blip. In the same

period, in 2012, insurer exams accounted for 27.3% of expenses, with service provider exams at a mere 6.4%.

We know that there are some problems with this data because the insurer exam category also includes costs that are not med rehab-related. But the fact remains that these are all insurer-driven costs, and they disproportionately contribute to the claims costs that they complain about. This awkwardly structured data may prevent us from comparing apples to apples, but it doesn't alter the fact that there is a rotten apple here.

Why are insurers spending so much of their own money on insurer exams rather than restorative treatment, which is, after all, the mandate of med/rehab benefits? These exams come about for the primary purpose of denying claims for treatment. Data on current denial rates is not reported, but our members and many others working in this sector report historically high denial rates since the 2010 changes were made.

In 2011, we conducted a survey of 1,143 rehab providers and found that 42% of requests for treatment were being rejected. This is up from only 11% prior to the government's changes to the insurance system—a whopping 282% jump.

#### 0920

Insurers have nothing to complain about. The 2010 cuts helped them enormously, but the situation for injured drivers is a different picture entirely. In fact, on a weighted average basis, Ontario has the poorest health care funding in Canada when it comes to auto insurance.

I am here to tell you that today's accident benefit system is inadequate, and we see the impact of that on people's lives every day.

When it comes to auto insurance, consumers don't know what they are buying and they don't get what they pay for. They don't find that out until they are hurt, and by then it's too late to do anything about it.

How many of you know what your entitlements to accident benefits are? If you are like most drivers, you assume that your medical and rehabilitation needs will be covered by the basic package that most of us have, but you'd be wrong. Even if you read the fine print and learned that you have up to \$50,000 in med/rehab coverage, you won't see that you are much more likely to find your health care is restricted to a minor injury guideline, with a maximum of \$3,500. This amount must cover not only physical injuries but also treatment for debilitating mental health conditions that can result from an accident.

We have always supported a minor injury guideline, but we cannot support how it is currently being used by insurers to routinely relegate to this category many people with more serious injuries.

If you're like most Ontarians, you won't have known to buy up so that you may—only if you need it and only if your insurance company agrees with you—access up to \$100,000 or \$1 million in benefits. Only 1.4% of drivers have done this, and I expect that most of those who did so work in this sector. They know first-hand that \$50,000 is often—too often—not enough for those with serious injuries.

Imagine a typical rehabilitation period of five years for a serious injury. That translates into \$833 a month to pay for medications, physiotherapy, speech therapy, nursing care, equipment like a wheelchair or a hospital bed, building a ramp to get into the house, making the bathroom accessible and many other potential rehab-related costs. Insurers call these services the Cadillac of benefits. Is getting into your own home and bathroom your idea of a ride in a Cadillac?

When policyholders know enough to buy up their benefit limits, they remain subject to the \$3,500 minor injury guideline, intended to capture up to 80% of accident victims. Do you think many insured drivers have any idea of this?

The changes made to accident benefits in 2010 have had dramatic and negative consequences for the injured. Last spring, the Ontario Rehab Alliance conducted a survey of health professionals working in the auto insurance sector to gather data on the impact of the cuts. The findings are sobering. Only 20% of seriously, but not catastrophically, injured victims were attaining their rehabilitation goals since the reforms of 2010—this compares to 60% before September 2010. Prior to 2010, 42% of injured clients could achieve half of their pre-accident function; now only 26% are able to attain this level of recovery.

These are numbers, but behind every number there are people hurting and trying to get their lives back. Many will never return to their pre-accident health and function levels. Many will find themselves fighting a losing battle with their own insurer to get the benefits they paid for.

I urge you to do all that you can to bring greater equilibrium to this system by working to restore accident benefits to more realistic levels, and to hold insurers accountable for their actions. I urge you to ask your constituents, your friends and family members about their post-accident experiences. I urge you to call your brokers and buy the optional benefits that you may need some day, despite their substantial and arbitrary restrictions. I urge you to drive safely. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you very much. We appreciate your presentation. You've left about six minutes for questions. Michael or Catherine? Catherine?

**Ms. Catherine Fife:** Thank you very much, Laurie, for incorporating a little sarcasm in an early morning in North Bay. But your points are well taken, especially with regard to the quality of services that are either not delivered or delivered.

As you know, the NDP did push the government to reduce auto insurance premiums by 15% because those 2010 savings, as projected, were not passed on to the clients. But we have heard conflicting reports as to whether that 15% is actually playing itself out. Do you want to comment on that? Then, also, I have a question with regard to the insurer clinical exams.

**Ms. Laurie Davis:** I can't speak with any great knowledge of how premiums are really calculated or being applied. Was that your question?

**Ms. Catherine Fife:** Yes. You're not hearing anything?

**Ms. Laurie Davis:** No, it's not really my area.

**Ms. Catherine Fife:** Okay. On the first page of your presentation, though, you do quote the insurer-initiated clinical exams.

**Ms. Laurie Davis:** Yes.

**Ms. Catherine Fife:** This is new information. I haven't seen this. Can you comment on where you've actually received this information from?

**Ms. Laurie Davis:** Absolutely. This information comes from HCAI, the health claims database. This is the database that all service providers must use. It has been mandated for a number of years now. It's essentially a portal with which all the billing and, in fact, all the back-and-forth related to treatment plan applications and applications for assessment go through, so there's an enormous amount of data that is being collected. This is the Insurance Bureau of Canada's database, although they are mandated to maintain this database through FSCO. As I understand it, the information belongs to the IBC, not to the Ministry of Finance or FSCO.

This data was released in December. You can go onto FSCO's website and Google "health claims database report," I think it's called, or I'd be happy to send it to you.

**Ms. Catherine Fife:** Okay.

**Ms. Laurie Davis:** There is lots of data there. Unfortunately, for much of it, the nature of the way the data has been collected and reported makes it really difficult to say with any solidity that we see these trends which we suspect are there. But, certainly, the insurance-initiated exams—that's irrefutable. There's lots of other data which we think supports what we are saying, but we're aware that the data is dynamic. In other words, in data reported from a year ago on a claim that is still open, that number will change over time. It's only the older data and the more minor injury data that has any solid ground. We wish that the data that was reported would actually be more useful than it is.

**Ms. Catherine Fife:** Yes, so do we. Thank you very much. I'll be sure to share this with my colleagues. Thanks for today's presentation.

**Ms. Laurie Davis:** Thank you.

**Mr. Michael Prue:** I have a few questions. How much time is left?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about three minutes, Michael.

**Mr. Michael Prue:** Three minutes; okay. Your first bullet point on the first page says that the 2012 loss ratio in Ontario was the lowest one in Canada. What are the loss ratios in other provinces?

**Ms. Laurie Davis:** I'm sorry, I can't tell you that offhand, but I would send it to you.

**Mr. Michael Prue:** You'll send it; okay. I'd just like to see how much we're out of whack, because I assume, if we're the lowest, that we're out of whack considerably, considering that insurance rates in Ontario, because of

the size of the population, should be actually cheaper to run than everywhere else.

**Ms. Laurie Davis:** Right.

**Mr. Michael Prue:** No other province has this many people, this many cars.

**Ms. Laurie Davis:** GISA has a lot of information, as I'm sure you know. I will forward that to you.

**Mr. Michael Prue:** Okay. Also, on the second page, you say, "Insurers have nothing to complain about. The 2010 cuts have helped them enormously." I hear from insurers all the time, saying that it's getting tough out there. You're disputing this, and I think the anecdotal evidence that I'm hearing from other sources causes me to question that it's a really tough market out there for insurers. It seems to me that a lot of money is being made.

**Ms. Laurie Davis:** Their shareholders seem happy. Also, I think if you look at the HCAI data, you will see that—I mean, if we were prepared to just use whatever statistics were on paper, you'd see something that looks like a very dramatic decline, in fact, in overall claims and overall costs. But because we can't be sure that those numbers won't go up, we didn't feel comfortable reporting them. I will send you that report, and you can take a look.

**Mr. Michael Prue:** I remember, when these were being talked about in the Legislature, standing up and make a statement something to the effect that the insurance companies were seeking to sell an inferior product for more money and that any fool could make a profit off of this. I don't know whether I was prescient or whether I just looked ahead. But it seems to me that that's exactly what we've got here. We've got an inferior product and yet the costs kept going up and up and up. The insurers say that's because of catastrophic injury and because—they've got a number of excuses—of fraud; fraud is a biggie. Do you have any comment on that?

**0930**

**Ms. Laurie Davis:** Catastrophic injuries account for a very, very small percentage of the total amount spent on accident claims. I think we've seen some reluctance to actually open that door, because a lot of the expert evidence doesn't support the changes to the catastrophic designation that the insurers have proposed. But, certainly, I think that there is no doubt that the 2010 changes have helped.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning, Laurie. It's appreciated.

*Interjection.*

**Ms. Laurie Davis:** Yes: It helped insurers—only insurers.

#### NORTH BAY REGIONAL HEALTH CENTRE

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the North Bay Regional Health Centre. Paul, if you'd like to come forward. Make yourself comfortable. If you have a handout, the Clerk will take it.

**Mr. Paul Heinrich:** Yes, I do. There you go.

**The Chair (Mr. Kevin Daniel Flynn):** Welcome.

**Mr. Paul Heinrich:** Hi. Thank you. So when I'm ready? Is it good—

**The Chair (Mr. Kevin Daniel Flynn):** Yes. You've got 15 minutes, like everybody else. Use that any way you see fit. The questions this time will come from the government side, if there's any time left.

**Mr. Paul Heinrich:** Okay. Thank you for this opportunity to present to this committee. The opening remark I had was that there is a huge change to more community-based care, shifting away from acute settings. That is a direction of government, and, in my opinion as a health care provider, it's the right direction to go. The challenge is the assumption that the community sector is ready—number one. The second challenge, that all activity and direction of these health programs should be transferred to community agencies immediately, is also a flaw. I think that we have to adapt our organizations to perhaps change to provide that leadership.

Actually, jumping to the end of my notes here, the Public Sector Labour Relations Transition Act is a real barrier because it's restrictive in terms of, whatever employees move from one organization to another, there are not going to be any savings around the cost for employees, if that's one of the basic assumptions. Why not work with existing organizations who have expertise and the ability to act now to make some of those efforts? So, again, this shift to community-based care: absolutely the right concept, but we're not ready, and as we make the changes to the acute care sector rather quickly, we don't want to create chaos. We want to enhance that community sector in a responsible and planful manner.

I'm just going to back up here. I wanted to highlight people living with complex needs and back to community supports. We need supports for those people—for example, adults with autism or dual diagnosis—that would include investment in recovery homes. Actually, in the north, the direction of the North Bay Regional Health Centre: Our organization is both an acute provider and a regional tertiary mental health service provider. So what we've done recently is, we've worked with partner agencies like CMHA to invest in recovery homes in North Bay and Sudbury. We want to do that in other centres so that people, instead of being institutionalized for decades, can actually live in the right kind of setting in the community. We've seen some incredible reductions in alternative level of care for patients that had been institutionalized for decades. We're now seeing them integrated. In a way, shame on us for not making those supports available sooner. So I wanted to raise that one.

Behavioural supports is an enormous burden. I'm not sure if everybody is paying attention to this, but I'm getting a lot of complaints about patients worried about people who are exhibiting responsive behaviours. They're worried about their families. The caregivers are anxious. We don't have the supports for secure units in long-term care, like we should. What's happening is, they're in the wrong setting, and it's dangerous for both those people and the people living around them.

Just one innovative idea which we're bouncing around right now is—because here's the thing: Everyone just says, "Build more long-term care." There's a myth there. We have to adapt long-term care. They have to be able to deal with increasing complexity. Just like hospitals are getting more and more complex, so are complex continuing care beds, so are long-term care. We're asking more of each of those institutions, and even the home care-based people are requiring more and more supports.

So why not create a grant program that would allow long-term-care homes to invest in some infrastructure to build safe environments for people like that? That actually might not cost a lot of money but help adapt existing resources in a new way. You talk about a tsunami and we always just generalize it—a massive increase in dementia and also responsive behaviours associated with that.

Quickly on transportation: I know the government is getting pressure. I heard this through our association. I would urge the government, instead of looking at parking, to look at transportation in general. It's especially an issue in a large geographic region like the north. There is a whole bunch of money spent by the government on travel grants for health. What if there was a better way to invest in that, to create a more robust transport system? There's already money being spent, so look into that. I would suggest the government do a review and get a report on what investments, or disinvestments, in some respects, should be made in the transportation sector.

Moving on quickly to occupancy, this is kind of what I originally mentioned. It's important to have flexibility to support the movement of appropriate health care service in hospitals to qualified community-based providers. Hospitals have continued to improve their efficiency over the years, and we've been getting 0% increases. In fact, it's less than that. We're getting less than zero.

Again, the government is consciously trying to divert resources into the community, but exactly how much investment is going into the community—I would submit that even though a large percentage increase is going into community care access centre funding, relatively speaking, it's not enough, because that's the constant complaint.

I just came from a medical advisory committee, and the doctors were saying, "We can't get access to community care access centres after hours and on the weekends." That's just creating extra stays in our hospital. Again, it's not to blame CCACs. It's actually more investment than you imagine that has to go into community-based care.

I just wanted to comment: The government did a really good thing when they invested in the Emergency Department Process Improvement Program. It was actually a direct investment by the ministry. They sent coaches out to hospitals. It actually had a dramatic impact using quality tools, like Lean, to dramatically improve wait times.

I think the government should look at that program and consider taking it another step further. It had an enormous positive impact, and probably the government



didn't get enough credit for that, but they deserved it. It was so innovative. Do more of that.

Don't just throw money in buckets, but if you could create some grant programs and encourage multiple agencies to respond: a perfect example is Aging at Home. We need a new set of opportunities for people to get creative and have to work together to solve problems with a little bit of money, and a little bit of money can go a long way if you've got a creative and innovative team that's responding to it.

Can I just get a time check, Mr. Chair?

**The Chair (Mr. Kevin Daniel Flynn):** You certainly can. You've got about between six and seven minutes.

**Mr. Paul Heinrich:** Okay. Well, I'll just sum up in a minute, because I want you to have a chance to offer questions, and I have submitted the balance of stuff here.

Really quickly, on our local situation, our organization merged. There were two organizations. They merged three years ago. We have a new building.

The Health System Funding Reform, although a good idea, we have not worked out the kinks. I can tell you that, from North Bay Regional Health Centre's budget, the impact is about \$30 million because of the change in the funding resources, the funding program.

It's a very good concept, matching funding to population and morbidity volumes, and they have mitigation funding that's been in place over a three-year period. I really urge the government to consider extending that or re-evaluating that, again, in order to get the community enhancement set up and a program—it's not just about refining the hospital. And the time factor: We're basically trying to take out \$30 million of costs in two years. To be quite honest, I lose a lot of sleep about that. We want to do that in a responsible way while enhancing community support, maintaining quality and not dropping the ball, because people's lives and well-being are at stake in this business, and it's not just about the dollars. Thank you.

0940

**The Chair (Mr. Kevin Daniel Flynn):** Very good. You've left about five and a half minutes. Who's going to be asking? Donna?

**Mrs. Donna H. Cansfield:** I'll start. Soo might have some questions.

Thank you very much for your presentation. I concur with you that we have to do some new thinking around delivery systems, especially dealing with an aging population and extraordinary geographic situations.

Interestingly enough, sometimes processes get put in place—and I agree with you as well that reviews need to be done. I'd be interested in your perspective. The government gives the hospital a certain amount of money, and the hospital takes—I'm going to use 20%, roughly—for administration and program development. The government gives CCACs money; they take 20%. The LHINs take 20%. So suddenly, the amount of money going into the programs and the people is diminished significantly. I would be really interested in how you think we can approach redirecting the dollars back

through to the patients, because there are not a lot of dollars. I don't care what government is in place; there aren't a lot of dollars.

**Mr. Paul Heinrich:** There's an obvious answer to that. Another standing committee of the government is about to do a review of the LHINs, and I can tell you what the themes are going to be. One of the biggest ones is that the LHINs are not empowered, truly not empowered—I'm wondering who's listening and recording this—to truly make changes in the structure of the health care system. We have a rather fragmented system—and, by the way, the biggest quality problems occur at transitions of care. How many different transitions of care do we have to do, the way we've structured our province?

The LHINs have basically not been—here's a target for consolidation, and there's no appetite because it's the third rail, politically, so I'm not sure that there's any willingness to actually make those dramatic changes. I think we have more than 200 health care providers inside the LHIN legislation, and then there are more outside: primary care, public health. So it continues to be in a fragmented state.

I just want to comment on the admin. For many years now, with the amount of money coming out, we were certainly looking at admin costs first. I can tell you that people who report directly to me as president and CEO—in the last year, \$1 million of compensation costs have been removed in terms of positions reporting directly to the CEO. I make sure that happens, because when our providers and our patients challenge me about where the reductions are happening, I want to be able to say, "The first thing we did was admin."

You have a number of different organizations. The obvious answer is: Could it be done differently? The government should pay attention to that review.

It's not to blame the people who are working in the LHIN. They haven't been given the tools. You need some kind of coordinating function. You can't just completely blow it up, but you've got to either give it power or not. You have to decide. And don't go the way of Alberta, where they went to one, and now there's no separation between government and the health provider, and all the flak will be going the government's way now. Plus, having one single organization covering a huge delivery system—don't go too far the other way, either, because you need some local context to run a health system.

**Mrs. Donna H. Cansfield:** So then the idea that you said earlier, bringing the people together within the community and developing a strategy on how to move forward, makes a lot of sense.

**Mr. Paul Heinrich:** It does.

**Mrs. Donna H. Cansfield:** It really does. So that should be coordinated, you're suggesting, through the government.

I think Soo would like to—

**Mr. Paul Heinrich:** Yes. Can I just say really quickly: The health links program—it's a little bit fuzzy and it's hard to grasp. I'm not a huge fan. It's a good concept, but it's very unstructured.

**Mrs. Donna H. Cansfield:** I'm with you.

**Ms. Soo Wong:** Thank you very much for your presentation. With respect to your two identified concerns about complex needs and behavioural supports, there is actually a select committee going on right now as we speak on these two issues. I'm going to encourage you, as the CEO for the regional health centre here, to identify solutions, because the select committee finished their hearings yesterday and we will be doing an interim report, coming through the committee to the Legislature by the end of February. So I'm going to encourage you to come back, because I wear that hat as well.

I'm particularly interested to hear a solution with respect to the aging of those intellectually and developmentally disabled individuals in northern Ontario, because we consistently heard that the DSOs are not working with the LHINs. The concerns that were consistently heard were the fear and intimidation and disrespect of the DSOs to those individuals in the setting. These are the same people who also need help through the health—

**Mr. Paul Heinrich:** The health care system, yes.

**Ms. Soo Wong:** So as the CEO of a regional health centre, can I ask about the collaboration of your agency, the hospital, with respect to the DSO?

**Mr. Paul Heinrich:** Okay. Very good. I'll definitely make some inquiries on that.

**Ms. Soo Wong:** That would be great. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming today. It certainly was appreciated.

**Mr. Paul Heinrich:** Thank you very much for the opportunity.

#### MR. WILLIAM LOVE

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is William Love. William, if you'd like to come forward and make yourself comfortable. Is that a handout you have?

**Mr. William Love:** Yes, it's a handout I have.

**The Chair (Mr. Kevin Daniel Flynn):** Do you want them handed out?

**Mr. William Love:** Sure. Good morning. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning. Thank you very much for coming. Fifteen minutes: Use it any way you see fit. The questions, if there's any time for them, will come from the Conservative Party. The time is all yours.

**Mr. William Love:** Perfect. Just by way of background, I'm a private individual. I don't consider myself to be a political person. I've never done something like this before. I've lived in BC, Quebec and Ontario—the last 15 years in North Bay.

I guess why I'm here today is not so much for me, but really a move to make this presentation about the next generation of my kids and the next generation of kids who are in Ontario. It's mostly about trends and big-picture stuff. I really want to talk about three things: the

Ontario debt, electricity costs, and GTA transit funding, just to wrap up.

I focused on the overall debt just because I think it's a good indicator of overall financial health, an indicator of good fiscal management and, I'll call it, a robust economy. Sorry for the quality of the graphics. I tried to make them bigger, but they got fuzzier. I don't know if that was on purpose or not.

Basically, on the right, we have absolute dollars, so we're looking at a \$250-billion debt. It's not Greece, but it is like Greece in that there seems to be a reluctance to deal with the longer-term issue of continuing to increase the debt. Obviously, what we see is a steep increase in terms of recent accumulation of debt.

On the left is basically as a percentage of gross national product, and that's your ability to—how big is your economy to carry your debt? Again, we're at 37% today. The forecast says "status quo," which is the top yellow line, based on both Drummond's report and others. It says we're going to be at 66% of GDP by 2019.

What does that mean in terms of things that I can understand? We've heard lots of problems in the US: the federal government in the US, Detroit, and one of the ones that keeps coming up is California. How does Ontario compare to California? Well, it's not good. If you look at it, we have a quite a bit larger total debt. Our debt-to-GDP ratio is quite a bit higher. Part of that is population-driven, so our debt per person is also significantly higher. Interest expense: \$9.5 billion versus \$5.5 billion. That's a result of the size of the debt. And the ability to pay for that: 8.9% versus 2.8%. So it says that on all metrics, basically, Ontario is in a much worse place than California.

Issues: Ontario's debt stands at 37% today, and that's exactly where Greece was in 1984. We've got a pretty steep trajectory of net debt to GDP. It says it's going to reach 66% by 2019. I guess I'd say that Greece seems to offer a cautionary note of what not to do with public finances and debt.

Electricity costs: I think you guys all know this. Residential and industrial rates have increased dramatically in the last five years. I did a quick tally of my own electrical bill: From 2009 to 2013, it has increased by 54%. In that same time period, I had two teenagers move out of my house, and I bought two new EnerGuide-rated appliances. We have time-of-use in there and the clean energy benefit. It's probably no better this month, but certainly in December of last year, there were people who had electrically heated homes who paid \$450 for December. It's not a discretionary purchase; it's not something people can't buy. I feel sorry for anybody with a fixed income.

#### 0950

GTA transit funding: We keep hearing this thought that we would have a provincial gas tax to pay for it. I think it's fundamentally unfair. Make it a regional tax. The user pays. In theory, it should incent more public transit usage, partly by dislocation. If it's 10 cents more expensive to buy gas, hopefully people will start to use more public transport.

I also hear, “Well, some of that money would come back to North Bay.” I certainly don’t expect to see a subway in North Bay any time soon. I don’t expect to see commuter trains up here very soon. Maybe some money could be spent on infrastructure. Unfortunately, in the north, we depend on our cars. There is some public transport, but I don’t think the population is there to support any kind of major increase.

In summary, on the debt, I think it’s control spending, because if I look at some of the numbers, it doesn’t seem to be a revenue issue. From 2009 to 2013, revenue has increased from \$90 billion to \$114 billion, so it isn’t really an income or a revenue issue. It would seem to be a control-of-spending issue. Focus on balancing the budget, and certainly slow the increase in debt.

Some other numbers: From 2000 to 2011, public sector employment grew by 38%, while private sector employment grew by 11.4%. It sort of says that there needs to be more control and get control of the spending. That yellow line on the first slide was status quo, and these other lines were less spending but not no spending. I guess at one point in time, I thought we had legislation that required a balanced budget. I don’t know where we stand on that today.

Electrical costs: Hydro-Québec made a \$2.7-billion surplus last year that obviously went into the general coffers of the government. I’d like to see some will somewhere that says—I know we’ve got Hydro One, and we have Ontario Power Generation and the Ontario Power Authority. I don’t know how many branches there are. I really think somebody has to have an objective to turn that around and make it the best-run utility, generate cash for the government and be an economic driver for the province. I think back to the analogy of CN. When it was a crown corporation, it was the worst-run railway in North America. Now it’s one of the best railways in North America, so it can be done.

The GTA is basically user-pay regional funding only.

I would just finally close with the immortal words of Charles Dickens, “Annual income twenty pounds, annual expenditure twenty pound ought and six, result misery.” Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, and thank you for the Dickens quote. You’ve got just over six minutes. Vic, are you starting?

**Mr. Victor Fedeli:** Bill, welcome. When I saw your name on the list this morning, I figured we would be talking wood; although that would have been a wonderful conversation, this is probably even more helpful to the committee.

You’ve made interesting comparisons, particularly the one about Greece. When you do that, people roll their eyes. I’m not one of those people, by the way, who rolls their eyes. Our debt-to-GDP was 27% 10 years ago. Today, as you’ve pointed out, it’s 37%. The government indicates it will be 40% in the next couple of years, and you’re talking about 68% based on the estimates from Drummond. You call it a cautionary tale; I call it a Greek tragedy.

We’re going to go through your items one by one. Is there anything more you want to say about the comparisons with Greece?

**Mr. William Love:** I’m not an expert; I’m just a private citizen, and it’s not for me. I’m old enough, I’m mobile enough. It’s really for the next generation of kids. We can’t continue to load up debt. My understanding is you could still have 4% growth in spending but not end up where those charts are saying we end up. So somebody needs to come up with the will to say, “It’s not a revenue problem; it’s really a spend problem.”

I thought Ontario used to have balanced-budget legislation, so let’s move ourselves back somewhere getting closer to a balanced budget.

**Mr. Victor Fedeli:** I’m going to send you something, if I can get your email after. I wrote a column that ran in many Ontario papers that compared Ontario’s economy to Greece. I also wrote a column, which ran in several Ontario papers, that compared our economy to California, so I wanted to move to your next comparator, California. The fact is that our deficit in Ontario and the deficit in California were almost the same, but their size is three times larger than ours, population-wise. They have the ability to recover from it far better than us.

One thing I found in California—when I saw the fact that our deficits were almost identical, I took a four-day trip down there with Patty and I saw the result of what’s happening with their deficit. The drive from San Francisco to the bankrupt city of Stockton was quite amazing—the garbage that had piled up on the side of the road. Their mining, not unlike our mining here locally, had all but evaporated, and their forestry sector, like ours, had all but evaporated. It was amazing to see the similarities of the two. It’s not just their deficits.

They have turned to casino revenue. Do you have any thoughts about that here in Ontario, where our government is planning on 39 new casinos?

**Mr. William Love:** It sounds like gambling to me. I don’t think that’s what I’d want to see for the future of the province.

**Mr. Victor Fedeli:** The only one I didn’t see you compare us to is Detroit and the recent bankruptcy in Detroit. I also wrote a column on that, which compared our financial situation to that in Detroit. It ran in several Ontario newspapers. Our debt per person in Ontario is almost as high as the debt per person of Detroit, so you can see the pattern that has developed that you’re presenting: the tragedy that happened in Greece, and our numbers are almost identical and we’re not paying attention; the reality of California and the actual comparison to Ontario, and we’re not paying attention. Detroit just declared bankruptcy, and our debt per person of over \$20,000 is almost the same as Detroit’s, which was almost \$27,000 per person.

We’re not hearing the bell. What do you suggest we do?

**Mr. William Love:** I don’t have the answers. I would just say, whether it’s our own personal financial life—if you run out of money, you’re going to have a problem

paying for anything you want, whether it's health care, whether it's education, whatever it is. Somehow we have to have the will to say we need to have a balance. Now we're getting ourselves into a position where you spend so much of your economy and so much money maintaining your debt.

**The Chair (Mr. Kevin Daniel Flynn):** You have a minute and 20 seconds.

**Mr. Victor Fedeli:** The one point that you make here that I find most interesting, and I have not seen this throughout our—we're on day 7 of an eight-day tour. We hear a lot of people saying to us, "Government austerity hasn't worked." I'm looking here and thinking, first of all, "Austerity? Where did you find austerity?" You point out here probably something that no one else has in our seven days so far: that government revenues have actually increased, just from 2009 to 2013, from \$90 billion to \$114 billion. I think you've said it three times now: We don't have a revenue problem, and it's very apparent here; there's a spending problem.

Did you also realize, though, and it's not here, that although we took in \$114 billion, we spent almost \$125 billion? I think that's—

**Mr. William Love:** Yes. I understand that we have run a deficit, and obviously, if you have a deficit, you have spent more than you brought in.

**Mr. Victor Fedeli:** We don't have enough time, Bill, to talk about electricity costs, but I think you understand that and you have articulated it very well with the changes you made in your own home and the fact that it hasn't saved you any money. In 10 years, prices have actually gone from 4.3 cents a kilowatt hour to 12.9 cents. They've tripled in 10 years.

1000

The only comment I would make about the regional funding for the GTA: What about paying for it from within existing revenue? Wouldn't that be a novel concept, Bill?

**Mr. William Love:** Well, it would be back to a balanced budget, so—

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today.

**Mr. William Love:** Thank you very much.

MS. BETTY DEAN

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from Betty Dean. Betty, if you'd like to come forward and make yourself comfortable.

**Ms. Betty Dean:** Thank you. I found a good Samaritan who did some photocopies for me, so if you'd like to send that around.

**The Chair (Mr. Kevin Daniel Flynn):** There we go. Fifteen minutes, like everybody else. If there's any time left over for questions, they will come from the NDP this time.

**Ms. Betty Dean:** Thank you. First of all, I'd like to thank you for coming to North Bay in minus-35° weather. In an era of increased cynicism as it relates to

political leaders, I want to acknowledge the challenges that you face and indicate my appreciation for the public service you provide each and every day.

By way of introduction, I am a retired civil servant and a former college professor, so it caused me a lot of grief to hand this out in advance, because people read instead of paying attention, in my experience. But I am also the primary caregiver for an almost-90-year-old mother.

I'm here as a private citizen, like your previous speaker. I'm sorry I missed the presentation from regional health. The car starting was an issue. I volunteer with a number of charities: Grandmothers to Grandmothers—you can tell that by the grey hair; Habitat for Humanity; the North Bay and district Alzheimer society, which is merging with Sudbury; the Near North Palliative Care Network; and the Rising Stars. I speak today based on my personal research and readings, experiences and observations over the past two years of retirement, and not as a formal representative of any of these organizations.

In addition, my interest in community service goes back to the era of former Premier Bill Davis. It includes previous—and, I admit, ancient—experiences as a school board trustee and a municipal councillor.

I want to applaud the public statements of the Premier three months ago at the Ontario Nonprofit Network conference. She said, "Keep pushing us," that it "requires difficult discussions, but stay engaged." She offered to provide support when necessary and to get out of the way when necessary. I regard today's discussions as part of the engagement process.

I'm not going to go through my entire paper, because I'm convinced you can read, but I want to address the contributions and the needs of the non-profit sector as it valiantly attempts to provide social services in an ever-changing and challenging economy, complicated by demographics. I call this my "Some people see things as they are and say, 'Why?' I dream things that never were and say, 'Why not?'" And I have an addendum for that: "If not now, when?"

Just to highlight, don't go to Stats Canada, because they're not collecting the kind of information we need anymore. The latest I could find there was 2007. However, an organization called Imagine Canada indicates that our "non-profit and voluntary sector is the second largest in the world" and that "the 'core non-profit sector,'" which I spend my time with, "is a common way to refer to charitable and non-profit organizations"—in other words, we're not the hospitals and the universities. These organizations' revenues account for about 2.4% of Canada's GDP, and that's more than three times that of the motor vehicle industry. Hospitals, colleges and universities get the bulk of the money, but they only represent 1% of the organizations.

I went to the TD Bank because, you know what? I'm not an economist; I don't even do math well. I struggle with my own budget. But it really resonated with me when I read that the TD Bank said, "The economic value

of volunteering is approximately the same as the entire Manitoba economy.”

Volunteer Canada says, “13.3 million Canadians contribute 2.1 billion hours, the equivalent of 1.1 million full-time jobs.”

I wanted to bring it down to the Ontario experience. I went to the Ontario government website, and the documents there with regard to what they call the Partnership Project show that “Approximately one million people—15% of Ontario’s total workforce—are employed in the not-for-project sector.... The total economic impact of that sector is nearly \$50 billion, representing more than 7.1% of GDP, a figure greater than the automobile and construction industries combined.”

The volunteer time is valued at the equivalent of 400,000 full-time jobs.

What do we organizations want? I think it was made pretty clear at the Ontario not-for-profit conference that the funding process and supporting capacity-building should be the government’s top priorities. I have a number of recommendations, some of which don’t carry a big cost in dollars.

It is important for the Canadian government to adopt a national strategy both for dementia and for palliative care. I’m going to assume that all of you speak to your federal counterparts in your respective political parties and that you would offer that support. Family caregivers are the invisible and hidden backbone of the health and long-term-care system, contributing over \$5 billion of unpaid care.

I understand from the newspapers that the Ontario Medical Association is about to come out in the next six to eight weeks with a recommendation regarding palliative care. I am hopeful that the government will be listening and supportive.

On a more regional basis, I think that we need to build on existing partnerships. I’m the wild card in the crowd who spent 30 years working in the correctional system, so I don’t know why we don’t use a federal business like CORCAN, put it together with a non-profit like Habitat for Humanity and start to build some prefab residential hospices.

North Bay certainly needs a residential hospice. We only have two in the entire northeastern region, and the northeast has the highest mortality rate in the province. I think we need to look at other models besides the 10-bed residential model. There are existing three- and five-bed residences in the province, and we might want to look at that for rural northern Ontario.

North Bay could, from a population basis, use a 10-bed residence, but I’m going to tell you, having been the probation officer in places like Mattawa and Sturgeon Falls, that they don’t want to travel to North Bay for their palliative care residence. They want it in their own community, and they don’t necessarily need 10 beds.

My favourite hobby horse: If you can take tax money off of gas for road maintenance, then would you please look at probate taxes and the HST for funerals and redirect that money to the service of palliative care and

long-term care for dementia? More and more, as the population ages, the issues of dementia and palliative care will become intertwined. You’re dealing with the same people, so it’s symbolic and it’s practical to do that.

I want you to continue to support the Partnership Project, and I want you to very seriously consider a piece of legislation that has been sitting on the closet shelf since 1989, called the Unclaimed Intangible Property Act. I want you to seriously look at the British Columbia model, and this is where the holders of property unclaimed, for example, bank accounts that haven’t been accessed for a long time—the money is pooled, and it gets sent out to a community foundation, which then distributes it to non-profit agencies to continue to deliver their services. In North Bay, that would be the North Bay and Area Community Foundation, which was spearheaded by the late Jack Burrows.

My most important recommendation: Do not impose a 10-cent tax increase on fuel. Over and above the burden you will impose on the most vulnerable fixed-income citizens of Ontario, you severely handicap non-profit organizations. Volunteer time that is spent means that we cover their travel expenses, and, I’m embarrassed to say, not well, because we don’t have the funds.

If you increase that tax, then we are likely to lose volunteers who cannot afford to travel in rural Ontario and provide the very free home care services that we provide right now. I very quickly asked at a meeting the other night what that would do to us, and we would probably have to fundraise an additional \$4,000 or \$5,000 out of this community just to cover the travel expense increase.

Those are my recommendations. Again, if not now, when? Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful, Betty. Thank you very much for coming this morning. Thank you for changing your time to accommodate us. That was nice of you.

Any questions will come from the NDP. Michael, you’ve got about five minutes—

**Mr. Michael Prue:** Catherine.

**The Chair (Mr. Kevin Daniel Flynn):** Or Catherine.

**Ms. Catherine Fife:** Thank you very much, Betty. You gave us a lot of data, which is good, and it’s well researched. That must be from your trustee days.

**1010**

**Ms. Betty Dean:** I suspect it has to do with my college professor days.

**Ms. Catherine Fife:** One of the ideas that is quite interesting for me is the pairing of CORCAN and Habitat for Humanity around prefab residential hospices. The provincial hospice association has not seen an increase in funding for a long time, and they have a very strong economic case for helping people essentially die with dignity. There’s a good economic rationale for dealing with people with dignity at the end of their life.

Can you comment? Are any other sectors forming this kind of a partnership, especially around the prefab residential piece, that you know of?

**Ms. Betty Dean:** No. Actually, the only conversation I had is that—and you can appreciate that after spending 30 years in the criminal justice system, I’m pretty familiar with federal corrections, although I work provincial. I know that CORCAN exists, so one day I just simply emailed the local chair of Habitat, John Humble, and said, “So this is a wildcard. You service families, so extend that thought for me and bear with me.” I said, “If we got CORCAN to prefab a residential hospice, would Habitat help us build it?” He said, “Well, it’s interesting you should say that, because Habitat for Humanity has an existing arrangement with CORCAN,” one that I didn’t know about until he told me that.

Then my supplementary question to him was, we’re so fixated on the 10-bed that the concept of three- or five-bed doesn’t usually enter into the discussion. Again, I’m not a mathematician, but if it takes \$6 million to build a 10-bed residence, why wouldn’t we be looking at buying an existing house? Renovate it, even if you have to put the bedrooms on the main floor for the palliative patient. Use the upstairs for your office admin or your nursing staff. Have itinerant medical teams, and have volunteers basically operating the house. You can put more than 10 beds out there in rural Ontario for that \$6 million.

**Ms. Catherine Fife:** Absolutely. You referenced Napanee and Huntsville.

**Ms. Betty Dean:** Yes.

**Ms. Catherine Fife:** Are there examples of this in that—

**Ms. Betty Dean:** Yes. There’s a five-bed residence right now in Huntsville. All I know about Napanee is—because if you come from corrections and you talk group homes, you talk 10 beds.

**Ms. Catherine Fife:** Yes.

**Ms. Betty Dean:** I was at the conference and the lady to my left says that she’s opening up a three-bed residence in Napanee. The great skeptic in me said, “Three beds? Is that economically viable?”

Yet when you start to think about it, depending on the core volunteer group that you can engage to go in and help operate those three- and five-bed residences, it’s just a different way of doing business, and it would put the beds, I think, more where they’re needed strategically.

**Ms. Catherine Fife:** Yes, I totally agree. Thank you for bringing these two examples. We’ll take them back, okay?

**Ms. Betty Dean:** Thank you very much.

**Mr. Michael Prue:** How much time left?

**The Chair (Mr. Kevin Daniel Flynn):** Mike, you’ve got two minutes.

**Mr. Michael Prue:** Two minutes. Okay.

The non-profit sector: I’d like to get back to that, and the statement made by Ms. Wynne. It seems to me that the non-profit sector has been left out of the equation for quite a while.

**Ms. Betty Dean:** That would be my opinion too.

**Mr. Michael Prue:** Yes. The government has been in there for 10 years. Is this an about-face? Is this something new? Because I’ve never heard this mentioned before.

**Ms. Betty Dean:** Until I started to research this—truthfully, I whined to the mayor and copied Mr. Fedeli’s office about the tax increase for gas and the fact that the media didn’t seem to have focused on the fact that non-profits contribute as much to the economy. It didn’t even look like we were invited to the meeting with Minister Sousa when he was in town, but I couldn’t tell that.

So I started my research about a week ago. You know, YouTube is wonderful, if you can get away from the political cynicism that’s there. There is Premier Wynne’s speech to the Ontario Nonprofit Network. She has actually made the Minister of Citizenship and Immigration responsible as sort of the go-to place for the non-profit sector. When I read the economic information that these other organizations provide, it says to me we might better have been placed with—I don’t know—the ministry of economics or something. We contribute that much to the economy.

**Mr. Michael Prue:** Well, exactly. I mean, the Ministry of Citizenship and Immigration is probably one of the smallest ministries in the entire—

**Ms. Betty Dean:** Yes, 30 years in the civil service told me that one.

**Mr. Michael Prue:** Yes, and with one of the smallest budgets.

**Ms. Betty Dean:** Yes.

**Mr. Michael Prue:** It seems to me that the bang for the buck that we get—every dollar that is given to the non-profit sector is magnified, like, 20 or 30 times in terms of service and money going to the community. These have been said, but I’ve never seen any government action, other than Ms. Wynne’s statement, to indicate they are even remotely interested in it.

**Ms. Betty Dean:** On the back of my report, I downloaded the progress report. You can see what movement the government feels it has made with regard to dealing with non-profits. It’s the best I can offer on about a week’s notice.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning, Betty. It was appreciated. Thanks for your report.

**Ms. Betty Dean:** Thank you.

#### CANADIAN BEVERAGE ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** The Canadian Beverage Association is up next: Jim Goetz. Good morning, Jim. It’s good to see you again.

**Mr. Jim Goetz:** Good morning.

**The Chair (Mr. Kevin Daniel Flynn):** Like everybody else, you get 15 minutes. Use that any way you see fit. Any time left for questions will come from the government this time.

**Mr. Jim Goetz:** Thank you, Mr. Chair. My name is Jim Goetz, and I am the president of the Canadian Beverage Association. Let me begin by expressing my gratitude for the invitation to appear today as part of your pre-budget consultations.

The Canadian beverage industry—I should clarify that we represent the non-alcoholic, non-dairy sector of the

beverage industry—makes a substantial and ongoing contribution to the economic life of Ontario. Our member companies provide direct employment for some 5,000 Ontarians, some right here in North Bay, and are responsible for thousands of additional indirect jobs throughout the province. I should add that the vast majority of those jobs are unionized, with good benefits and solid pensions.

Ontario is also our industry's largest Canadian centre for manufacturing, distribution and sales. In total, we have more than 50 facilities province-wide. I want to underscore that fact, because at a time when Ontario is working hard to renew its competitive position as a manufacturer, our industry remains a reliable partner.

And that's not nearly the whole of our economic contribution. Our members are also one of the largest blocks of customers for corn products, creating vital demand for Ontario's corn farmers. They are also the country's largest purchasers of package aluminum and PET plastic.

Our involvement doesn't end with the sale of our products. Our members are also active participants in recycling programs across the province and, in fact, across the entire country, and are actively involved in identifying new packaging innovation and driving technological development.

Finally, our members oversee extensive vehicle fleets that create demand for steel, manufacturing parts and, of course, vehicle production and assembly right here in Canada.

Of course, our contribution is realized in not only commercial, but also community terms. CBA members are dedicated to the places where we live through a wide variety of local causes, including the United Way, the Special Olympics, ParticipACTION and the building of local play structures in communities.

We're proud of these contributions, but we're also aware that, as an industry, we bear important responsibilities. I want to assure each member of the committee that we take these obligations very seriously, especially when it comes to offering consumers a healthy balance of beverage choices. In particular, we go to significant lengths when it concerns children and the consumption of beverages.

For that reason, CBA members have voluntarily adapted guidelines to prohibit the marketing of any beverages except 100% fruit or vegetable juice, milk or water to children under the age of 12. We have also removed all full-calorie soft drinks from primary, middle and secondary schools. Finally, we've implemented our Clear on Calories campaign, which greatly increases the front-facing, on-label nutrition information for our products. Clear on Calories gives parents what they're looking for when it comes to making informed decisions for themselves and for their families.

Before concluding, as the committee that is empowered to consider and report to the Legislature its observations, opinions and recommendations on economic policies for the province, I would like to draw your atten-

tion to two issues of concern that have the potential to negatively and unjustly impact our members' ability to operate in Ontario.

First, the Healthy Kids Panel report: The CBA embraces the goals of the Healthy Kids Panel and we endorse many of the report's recommendations and conclusions. We cannot agree, however, with the unique position that beverages appear to hold in the report's summary and its recommendations, namely the assertion that sugar-sweetened beverages are uniquely responsible for rising rates of obesity among children and that their location of sale must be regulated in order to address this issue. The first is simply not true, and the second is not a solution and will only result in increased economic challenges for a wide variety of businesses.

#### 1020

Based on the mountain of scientific studies and examination of the obesity issue, there is very little to suggest that the report's conclusion is accurate. Health Canada openly refers to the causes of obesity as complex, pointing to eating habits, daily physical activity, and broader social, environmental and biological determinants.

Let me highlight two key facts. First, as concerns over rising obesity rates have increased and groups have aggressively tried to link obesity to soft drink consumption, something interesting has been happening: Soft drink consumption has been declining. In fact, according to StatsCan, between 1999 and 2012, soft drink consumption declined by 35%. So if our members' products, as suggested by the Healthy Kids Panel report, were uniquely linked to obesity rates, then we should be seeing something dramatically different. We should be witnessing matching declines in the incidence of obesity in Canada, but we are not.

Second, according to the 2004 Canadian Community Health Survey, which also refers to the total calories consumed by Canadians, soft drinks account for only 2.5% of those calories. In fact, Canadians get approximately the same amount of calories from salad dressing as they do from soft drinks. Moreover, because, as we've just heard—consumption has been dropping in recent years—the current true figure would lie somewhere around 2%.

Our second issue is the panel's recommendation on point-of-sale restrictions, beginning with our members' products, which are specifically called out for a restriction. This restriction would create significant hardships for many retailers and would negatively impact their revenue stream and ability to do business. We have been told by small retailers that this isn't an option for many of them, as most just don't have the space in their stores to accommodate recommended restrictions. They have also told us that restrictions would result in lost income and lost jobs in an already difficult economy.

It's also a matter of resources for the province. If such a point-of-sale restriction was brought forward, you would actually have to have some kind of enforcement of exactly how far our products are being sold from the point of sale, and we think that that would be incredibly hard to enforce.

Our second key concern is with Bill 91, currently before the Legislature: the Ontario Waste Reduction Act. While the beverage industry supports the government's goal of increased producer responsibility and increased recycling rates, we believe the bill in its current form is not the best solution for improving waste reduction.

As the bill currently stands, the beverage industry and other industries may have to shoulder up to 100% of the financial responsibility for the programs, but would have absolutely no input into how the program is run or managed. As businesses, we know that this is not the way to get the best results in any situation.

We ask that the beverage industry have input and control over the waste reduction programs equal with our financial contribution if Bill 91 was to proceed. Effectively run programs, which we run in all other provinces across the country, ensure better results, greater growth in employment, and more overall responsibility. And in the end, we are all better off for that, due to higher recycling rates.

I want to emphasize: We recognize that we must be part of a shared effort, and we're very committed to doing our part. But remedies that arise from a misreading of the true challenge will only turn out to be a lose-lose scenario. At the CBA we're more than prepared to keep working in partnership with the government in order to pursue these goals.

I want to thank you again for the opportunity to appear. I look forward to your questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jim. You've left about five and a half minutes. Let's start with Donna.

**Mrs. Donna H. Cansfield:** Thank you very much. Thank you for your presentation. Also, thank you for the work that the beverage industry has done in terms of addressing some of the issues around children's advertising. I think you should be applauded for that work.

I think you're about 70% in Ontario—recyclable. So you certainly have done a very good job. Some of the other provinces are a little bit higher. I presume you've got some goals in mind in terms of what you'd like to do in terms of recycling. Could you share that with us?

**Mr. Jim Goetz:** We have a program which we've brought forward in Manitoba, where we voluntarily set a goal of 75%. Since that program was brought forward three years ago, we have seen the recycling rate for beverage containers, specifically, rise from 42% to 53% over two years, which is one of the largest non-deposit systems increases in recycling that has ever occurred in Canada. Again, if a system is structured properly, those are the same kind of goals we'd be looking for here in Ontario.

**Mrs. Donna H. Cansfield:** And there, you do have a say in terms of how that occurs?

**Mr. Jim Goetz:** Yes, we do.

**Mrs. Donna H. Cansfield:** I think that's a good example. I've heard from many folks, and I think others have on the committee, around the Waste Reduction Act and the 100% and the lack of involvement. So I encour-

age you to make sure that the Ministry of Environment, which has responsibility—and those of us who are hearing this will take this back to him as well.

I was really interested in your statistic—there is a huge issue around diabetes, and my friend here who comes from the health industry is well aware of this. I was fascinated with the fact that your numbers have gone down, while obesity has gone up. I didn't realize that.

But I also would like to ask you a question, and it's probably a political question in a way. I think that, yes, there is a responsibility on behalf of government, and I think there's a responsibility on behalf of the beverage industry, but I also think there's a responsibility on behalf of parents and of individuals themselves in the choice they make. So what do you think?

**Mr. Jim Goetz:** Just to start with your point about consumption, unfortunately, a lot of times, we in Canada are associated with consumption rates in the United States when it comes to full-calorie beverages. Consumption is very different in Canada as compared to the United States, so I'll start there.

Second, to your point about consumer choice, there's no other industry out there in kind of the consumable world that offers Canadians as much variety, in the beverages that we produce, as the beverage industry, from bottled water to waters with a slight amount of flavouring in them to low- and no-cal beverages to those for folks who want to consume full-calorie beverages as part of their diet. That is why we initiated the Clear on Calories campaign to make sure people know. It's the first of its kind, where it's not just an individual company program; it is across a lot of companies that are very fierce competitors, but they came together to bring this program forward.

So there is individual choice. Our industry strives to give Ontarians and Canadians as much choice in their beverages as they can, and there is a responsibility for parents to make sure they choose the beverages that best fit their family and their lifestyle.

**Mrs. Donna H. Cansfield:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Go ahead, Soo. Two minutes.

**Ms. Soo Wong:** Thank you very much for your presentation. I did sit on the Healthy Kids Panel. As you know, the Minister of Health made the request that this panel be struck, and the panel advises the government. Not all the recommendations, as you know, have been implemented by the government. Certainly, there has been extensive research, and there were lots of experts from the Hospital for Sick Children and internationally who have contributed to this report. Whether the government will be implementing the recommendation of the panel is still being discussed right now, but I can tell you that the government, along with the health sector, are very concerned about the rising rates of childhood obesity, and we're looking at everything.

We also recognize and support the statement by Health Canada that obesity is a complex issue. It's a lifestyle issue. It's genetic as well. Multiple factors contrib-



ute to obesity. So liquid consumption like beverages is not conclusively associated with obesity, but certainly the panel made its recommendation after months of review with experts. I just want to put that to your comments, okay? It advises the government; whether we take their advice is another issue.

We have rolled out a number of recommendations, in terms of last week Minister Sandals, about funding healthy kids in terms of high school nutrition programs, and proper labelling in terms of fast food, as the Minister of Health talked about recently. But all the recommendations are being advised to the government; not all, potentially, are going to be implemented, I just want to say.

I do also want to echo my colleague Donna's comment about supporting your industry in terms of your leadership in recycling.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today, Jim; very good presentation.

**Mr. Jim Goetz:** Thank you very much.

1030

#### COMMUNITY COUNSELLING CENTRE OF NIPISSING

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Community Counselling Centre of Nipissing. That would be Alan McQuarrie. Alan, please come forward and make yourself comfortable. You have 15 minutes, Alan, like everybody else. Any time left over will go to the Conservative Party.

**Mr. Alan McQuarrie:** Okay. Thank you. I want to thank you for the invitation this morning to come and present to the standing committee. It's an honour to be able to be here. My name is Alan McQuarrie. I'm the executive director at the Community Counselling Centre of Nipissing. I'm also the co-chair of the addictions and mental health committee here in Nipissing, and I'm speaking on behalf of the table as well as on behalf of our agency this morning.

I want to start by thanking you for the opportunity to speak during the pre-budget consultations. Governments are focused on the issues of job creation and improving services to people while eliminating the deficit. As a member of the social services sector that receives provincial government funding, I am convinced that strategic investments in the community mental health and addictions sector will help government to meet those goals.

If we are to make meaningful progress in improving our social determinants of health, and hence employment, we need to support and build our community-based addictions and mental health systems. The 2010 annual report of the Chief Medical Officer of Health to the Legislative Assembly of Ontario concluded with the statement that "Good health starts long before we visit doctors. It starts in childhood, in our homes, in our schools, our workplaces and our communities. Health care systems exist to help people after they get sick or injured. This conversation needs to be about giving

Ontarians a head start on good health, and preventing them from getting sick or injured in the first place."

In Nipissing, we have a network of nine community-based agencies. We're working to provide housing, peer support, counselling, addictions treatment and community integration. Guided by the North East Local Health Integration Network, these agencies touch the lives of thousands of people in the Nipissing district alone. Investments by our government in strategic community initiatives result in gains in employable individuals.

Keeping people healthy starts in the community. Community organizations are strategically placed to connect with people before they need the hospital.

The usual stereotype for community and provincially funded programs is that there are too many, that these organizations don't work well together, that these organizations have administrations that are expensive and redundant, that diversity in the social services field is synonymous with inefficiency. The truth, however, is very different. The innovations of our community service partners are not always well known. However, they are serving our populations in new and creative ways, increasing the health and work-readiness of our citizens like never before.

I would like to share some of the accomplishments of our mental health and addictions systems agencies in Nipissing, if you'll spare me the time. In 2012, the People for Equal Partnership, a local agency here in North Bay, began a unique program in conjunction with North Bay Regional Health Centre, putting a peer support worker in the hospital emergency room. Now people with a mental illness have an advocate and an ally when they arrive at the hospital. Often, the peer advocate can improve the quality of care and redirect people to community resources instead of repeat, expensive hospital visits.

The common referral program is another joint initiative, consisting of many agencies that coordinate addictions and mental health referrals each month. These are triaged and, in many cases, fast-tracked, again, to community services where they receive support outside the ER.

The community counselling centre, my agency, has implemented a walk-in clinic since mid-September. Statistics show that 18% of 76 people responding to surveys have said they would have used the ER or a doctor if the walk-in service were not available. The walk-in clinic is a creative way to eliminate barriers of access such as wait-lists.

The Canadian Mental Health Association, Nipissing Mental Health Housing and Support Services and People for Equal Partnership in Mental Health have been attending the Gateway Community Mobilization HUB meetings—some of you may have heard of that—which is a new local initiative to wrap-around services to high-risk clients, thereby reducing the need to attend the ER once again.

The Canadian Mental Health Association employs a court diversion worker who coordinates referrals to Hands, the Family Help Network, lessening the potential load on the ER.

The North Bay Recovery Home continues to provide an ongoing after-care program that supports the continuum of care.

We have a No Wrong Door initiative, which enables cross-referrals for the overall health and wellness of heavy users and recurring users of the addiction and mental health system.

The recovery home is co-chairing the North Bay and Area Drug Strategy Committee and is developing a local protocol for the return of used fentanyl patches, thereby reducing the medical emergencies that might arise from misuse.

The local alliance centre is partnered with two other non-health-funded agencies during Addiction Awareness Week to present community education in the area of trauma, mental health and addictions.

North Bay Regional Hospital this year hosted a Photo-Voice event to promote mental health and to highlight community mental health services as a diversion from the ER.

Nipissing Mental Health and Housing Support Services has a shared MOU with crisis intervention services, North Bay Police Service and the OPP which allows for shared, facilitated interventions and consistent follow-up to prevent recurrent presentations to the hospital ER.

Nipissing Mental Health and Housing has established a respite unit as part of the Percy Place residence, offering clients brief respite from their current living arrangements, or who may be temporarily without housing. Supports accompany the client to ensure successful tenancy in the unit.

The list goes on and on of all the various ways that community and mental health agencies have worked together to support the community.

I'd like to finally highlight the 416 Lakeshore project, which is a partnership of the Canadian Mental Health Association and North Bay Regional hospital. The 416 Lakeshore property houses 20 people who do not have anywhere else to live. Many of these people are dealing with mental health issues, addictions, social isolation and traumatic events, and have difficulty accessing many of the supports that most of us take for granted. The 416 Lakeshore property is more than housing: It provides a community of care and support and it provides people with the means to live independently and achieve their goals.

These are just some of many joint innovations that are currently or recently in the works. A closer look at the community mental health and addictions system shows a network or an ecosystem of dynamic, creative agencies working together to find new and better ways to improve the health of our citizens.

An Ontario budget that maintains and improves the capacity of our services is an investment in the health and viability of our economy. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good; thank you very much, Alan. Thanks for what you do for the community. You've left about six minutes. Vic.

**Mr. Victor Fedeli:** Alan, thank you very much for a wonderful presentation. Thank you so much to you and

your staff for everything you're doing in the community for those in need. It's a remarkable organization. In the very few minutes that you've presented here, you've painted quite a wonderful picture.

First of all, do you have a copy of your presentation that can be left with the Clerk for distribution to the members?

**Mr. Alan McQuarrie:** Yes, I do.

**Mr. Victor Fedeli:** I couldn't write everything down as fast as the information was flowing, and I think some of it's very important to share with everybody.

You gave some wonderful examples, especially your last one about 416 Lakeshore. I think the message that I got out of here when you spoke of the nine agencies, Alan, is this collaborative effort; that nobody works individually. I have found in this sector that nobody is working in silos, that everybody is sharing. Do you think that's unique here in North Bay, or is this something that you would find is characteristic of all communities?

**Mr. Alan McQuarrie:** It's difficult for me to generalize across the province because my experience is here in North Bay. I do know that sometimes in northern communities, creative solutions come about just because of a scarcity of resources and the increased familiarity that we have with each other just from being citizens of a small community.

I can say that the emphasis has increased. The local health integration network has created an emphasis on integration of services. I think that was already there, but it has also built that momentum to push forward.

**1040**

I also think that concept of an ecosystem of specialization that you don't get in a mammoth organization, but you get in the smaller community agencies, where they're able to partner together and to meet the niche needs of special populations, is so important, and so you get that in our community.

**Mr. Victor Fedeli:** Alan, you've thrown some names out here that may not mean anything to the others: PEP, Hands—these are the groups that are collaborating—and, as you said, the PEP group came out with the peer support worker who is an advocate in the emergency room, which I think was just one of the greater programs; again, 416 Lakeshore with DSSAB getting involved and all of the other groups getting involved.

What I'm going to suggest, and what I'll ask you—and I'm presuming this is already well under way with either you or all of those other DSSABs, PEPs, Hands, these best practices. I'm very proud of what you have done and what the organization has done here in North Bay and in Nipissing over the last years, whether it's since you came on some years ago, or the work of your predecessor.

I find that they truly are best practices. Are you sharing these best practices with other organizations who are funded such as yourself? And are you learning other practices from them, Alan?

**Mr. Alan McQuarrie:** I think there's a little bit of both happening. Many of our agencies belong to provin-

cial tables. For example, community counselling centre belongs to Family Service Ontario, which is an association that works through the entire province. We have networks. We have a northern regional network that meets regularly and communicates, so we're able to share these best practices.

You may be aware that the Ministry of Health identified the Thunder Bay walk-in counselling clinic as a best practice as it partnered with the children's mental health agency in Thunder Bay. That was an initiative that was sort of groundbreaking, and so it was instrumental in us bringing in a walk-in clinic to North Bay. So I think that's a good example. I think it's happening in most of the other agencies.

**Mr. Victor Fedeli:** Alan, we're here in northern Ontario today, and I know that they're enjoying the fresh air out there—

**Mrs. Donna H. Cansfield:** And a cookie.

**Mr. Victor Fedeli:** And Patty's homemade cookies, by the way. What would you say if you had one minute to tell us—what would the real differences be in working here in the north in your field compared to your past history, for instance, or other communities in the south? What's the difference that we face here?

**Mr. Alan McQuarrie:** I think Nipissing has some challenges. I think there's been some research done to show that the rates of obesity, the smoking rates, some of the chronic health conditions, are higher in Nipissing, so it requires that approach. We have higher levels of mental health and developmental disabilities. There seem to be higher needs here. I don't think I'm being unfair in saying that.

So we're having to find unique solutions that generate solutions in a cost-effective way, because we may not have the resources to deal with them in Nipissing that exist in other more better-resourced areas. Sometimes mandates limit us a little bit, but we're having to blur those a bit and stretch and work collaboratively to reach solutions here.

**Mr. Victor Fedeli:** Again, in my remaining seconds, all I can say is thank you again so very much for the work that you and the other agencies are doing, Alan. The difference is amazing and enormous, and we're just so very, very proud of the work that you do.

**Mr. Alan McQuarrie:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Alan, thank you very much for coming today. It was appreciated.

#### NORTH BAY LITERACY COUNCIL INC.

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is Jane Jackson from the North Bay Literacy Council. Jane, if you'd like to come forward. Get yourself settled; make yourself comfortable. You have 15 minutes, like everybody else. If you do leave any time, this time the questioning will come from the NDP.

**Ms. Jane Jackson:** Thank you very much. Unfortunately, I didn't bring copies of my presentation, but if anyone's interested, I'm able to email them after.

Thank you very much for the invitation to come and speak to the committee today. I'm really pleased to be here.

My name is Jane Jackson and I am the executive director of the North Bay Literacy Council. We are a community-based literacy agency providing literacy and basic skills to adults in our community. We have been providing this service for 35 years. We are funded, in part, by the Ministry of Training, Colleges and Universities. I do say "in part" because we still need to fundraise annually to meet our budget.

I was very pleased to hear Betty Dean's presentation about the value of volunteers in our community. We have two and a half paid staff, and the half paid staff is just brand new because of a small increase that the ministry gave us to provide our services. But the majority of the people who work with us are volunteers, and we have 50 to 100 volunteers every year. Every year, when we kept track of all our hours to present to the ministry, I would send a notice to the paper, because our volunteers provide thousands of hours, and all of those hours added up to, at that time, over \$100,000 annually to our community. At that time, we were receiving less funding than that. Our volunteers were providing more than the funding we were receiving. So our volunteers are the mainstay of our organization. They are our volunteer tutors, our volunteer board, our volunteer receptionist, and without them, we wouldn't be able to exist.

On December 16, just before our agency left for Christmas vacation, we received a notice from the Ministry of Training, Colleges and Universities with an update on the negotiations between the province and the federal government regarding the labour market agreement. This agreement, which partially funds programs such as Second Career, employment benefits for persons with disabilities, training for immigrants, apprenticeship training, and literacy and basic skills, expires on March 31, 2014.

Our notice stated, "Any changes to funding or program eligibility in these agreements could significantly affect the delivery of Employment Ontario services across the province. While no decisions have been made, this could mean that any current or future agreements between your organization and the Ministry of Training, Colleges and Universities to provide employment and training programs could be impacted or even terminated."

The North Bay Literacy Council participated with over 100 other community-based, non-profit, volunteer agencies to write letters to Minister Kenney about the serious concerns we have for our programs if the federal government goes ahead with their plans to instigate a new training system and cuts funding to the provinces. As a community-based literacy agency, we know the issues facing employers and we work with labour market groups all across the province and in our communities on an annual basis to learn and understand their concerns. We also know that many, if not most, small businesses in our community do not have the necessary resources to

deliver their own training, much less take on the needs of the community's unemployed.

We understand that Ontario citizens need more training because of the rising rates of unemployment in Ontario and across the country, but we also know that “the expectation that all unemployed people are instantly ready to pursue training leading to a qualification and jobs is not realistic. Basic literacy skills are often the initial requirement.

“Without programs to increase the basic skills of people with low levels of literacy, systemic unemployment and underemployment will persist among those with low literacy skills and education levels.”

That was part of the letter that we sent to Minister Kenney.

According to the report *Skills in Canada: First Results from the Programme for the International Assessment of Adult Competencies*, which is known as PIAAC:

—47% of adults in Ontario do not have the literacy skills they need for home, work and life;

—15% of Ontarians are at level 1, meaning that they struggle with very serious literacy challenges and have trouble reading even the most basic text;

—32% of Ontarians are at level 2, meaning they have very basic literacy skills but that these skills are inadequate to meet the demands of today's society;

—22.4% of Canadians between the ages of 25 and 64 do not have a high school diploma, and I can tell you those levels are higher in northern Ontario and north-eastern Ontario.

I think the last Stats Canada report that I looked at said that 29% in North Bay do not have a grade 12 diploma. In an outlying area in Mattawa, it was almost 47%.

**1050**

The North Bay Literacy Council's third-quarter statistics that we just provided at the end of December to our ministry—Training, Colleges and Universities—indicate that 101 adults have received services through our agency for the period of April 2013 to December 2013; 50% were male and 50% were female. Thirty-nine is the average age of a person attending our agency. The largest group is the 30- to 44-year-olds. Some 30% are in receipt of Ontario Works; 67% have grade 11 or less, and 27% have grade 8 or less.

We are asking that the ministry continue to keep literacy and basic skills as a priority and that you continue funding, because all too often, those who already have basic skills are the beneficiaries of government-sponsored training programs, and those with low skills are always left behind.

That's the end.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful, Jane. You've left a lot of time for questions. Michael or Catherine, about seven minutes.

**Ms. Catherine Fife:** Thanks, Jane, for your presentation. It's a common theme that we're hearing across the province: Those older workers who have transitioned out of, for instance, the manufacturing sector without high literacy or sometimes even basic literacy are really struggling

just to survive. They have to lose everything in order to access help. I think we would concur that the smart money is on retraining and literacy, and there's good value there, as you point out.

Your presentation also supports Betty's—the value of volunteerism. I certainly think that there is a role for government to incentivize and support that level of volunteerism.

Can you just touch a little bit more on this labour market agreement? Bad timing—right?—before Christmas: That's not the kind of gift you want. To suggest that potentially termination is an option is certainly not good news. This is a federal-provincial partnership. Why don't you tell us a little bit more about that agreement so that we can have a takeaway from that particular part.

**Ms. Jane Jackson:** I'm not an expert on the labour market agreement. I've been working with our provincial networks, which are the leaders in speaking with the government about the labour market agreements. It's transfer payments from the federal government to the Ontario government, and the federal government wanted to develop a new jobs grant. In order to fund that, they were going to take, I think it was, \$600 million out of the transfer payments. In Ontario, that trickle-down effect is what would happen to our agencies.

What we're looking at as a community-based agency funded by our ministry is that a lot of those programs are already in effect in the province of Ontario. If those programs are cut, all that trickle-down effect is going to once again hurt the community-based agencies. We're already the poor cousins of the college and the university programs, which receive more funding than we do, naturally, because they have larger populations of students. But what our community-based agency is saying is that just because someone is unemployed doesn't mean that they're going to be able to go and take an apprenticeship program or something like that. Probably the literacy needs need to be looked at in the first place if they're older.

**Ms. Catherine Fife:** Just by way of a story, the driver who took me to the airport yesterday was 72 years old. He went through the program to try to get another career because he still has to work at that level. But it was actually literacy that kept him—because it would be such a lengthy process to acquire the basic literacy skills in order to go into a trade. At 72 years of age—he said that he should be retired, but it's just not a possibility.

But the Second Career programming has the research that's evidence-based; it works. We do have a growing issue in this province around older workers who are just not in a position to ever retire, which is a very sad state of affairs.

So, March 21 is the deadline when you'll find out whether or not the labour market is going to be renewed in its current phase. We think that there are going to be some changes to that, so we'll keep an eye out for it.

**Ms. Jane Jackson:** That would be great.

**Ms. Catherine Fife:** Thank you for making a very good case for continued support for literacy and retraining.

**Ms. Jane Jackson:** Thank you. I just would like to make a comment. We've had over-60-year-olds who have been coming to our agency in the last little bit looking for computer skills because when they're trying to apply online, everyone says to attach your resumé. Well, a lot of seniors, first, don't have computers, and if they do, they probably know how to use Facebook or send an email, but they don't know how to attach their resumé to their file to apply for a job. So that is something that we do that is basic. We need to continue to support literacy and basic skills.

**Ms. Catherine Fife:** Yes, that's a good example. Thanks for sharing that.

**The Chair (Mr. Kevin Daniel Flynn):** Michael, you've got about two minutes.

**Mr. Michael Prue:** Two minutes? My question is a very simple one. You are here and you didn't talk about a specific amount. This being the finance committee, we always deal in dollars and cents. Are you just seeking to have your funding continue, or are you seeking to have additional monies brought forward? I didn't actually hear that in the deputation.

**Ms. Jane Jackson:** I would love to take any additional funds that you would have. It would save us trying to fundraise in our community. As I said, we consider ourselves, jokingly, as the poor cousins of all of those programs. Our ministry did give us a small increase last year because I've been after them for I would say 14 years, that no one ever reads—oh, I don't want to get started.

Our business plans are not really business plans; there's not a dollar amount attached to how we receive funding. We receive funding as a lump sum of, "Here you go. This is your portion," and not on what it is that our budget requires. So right at this very moment, we are very happy with the funding that we're getting. I would never say no, because we can always do more. We still fundraise to provide programs. Another \$50,000 would make us happy, and we would never ask for anything again.

**Ms. Catherine Fife:** That's going to be in Hansard, you know.

**Mr. Michael Prue:** And that's good.

**Ms. Catherine Fife:** That's a good thing.

**Mr. Michael Prue:** Okay, so you're looking at, if you could get a very small amount of money—

**Ms. Jane Jackson:** If we would have an increase—right now, with the labour market agreements threatening our funding, I would say let's just try to keep the status quo and keep the programs that we do have, specifically for us in North Bay, because we have a higher need. Illiteracy rates are higher in the North, but for all of Ontario we need to keep the funding for all of those programs.

**Mr. Michael Prue:** And how much is your budget right now? How much do you get?

**Ms. Jane Jackson:** It's \$150,000 a year.

**Mr. Michael Prue:** Okay, so for another \$50,000 you could do everything?

**Ms. Jane Jackson:** Oh, we would do a lot. We would do a lot.

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

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Jane. It was appreciated.

**Ms. Jane Jackson:** Thank you.

#### ONTARIO COUNCIL OF HOSPITAL UNIONS

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Ontario Council of Hospital Unions. Michael Hurley, if you'd like to come forward? Welcome to the committee.

**Mr. Michael Hurley:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** You have 15 minutes, like everybody else. Use that time as you see fit. Any questions this time will come from the government side.

**Mr. Michael Hurley:** Thank you very much for the opportunity to present this morning. Thank you very much for travelling to different communities across Ontario. It's much appreciated, I'm sure, not just by us but by all citizens, to have the opportunity to make presentations closer to home.

My name is Michael Hurley. I'm the president of CUPE's Ontario Council of Hospital Unions. We have about 30,000 members across Ontario, including here in North Bay at the North Bay Regional Health Centre, and at Mattawa and many other communities around this one. We really welcome the opportunity to talk about the provincial budget, and in particular, we'd like to focus on the push of procedures from acute-care hospitals into privately operated surgical clinics.

#### 1100

Two regulations were adopted by cabinet in the late months of 2012 to facilitate the transfer of these services, and we wanted to raise that as a significant concern. First of all, the Ontario hospital system, as you know, is already the most efficient hospital system in Canada. It has the fewest number of beds to population, the fewest staff for those beds and the shortest lengths of stay; it costs \$151 per patient less than any other province and has the least capacity of any country with a developed economy in the western world, so it's already a highly efficient system with good health care outcomes.

The movement of surgeries to private clinics will have some predictable consequences, according to the Canadian Medical Association Journal. For example, higher death rates could be predicted, and also higher costs—not only higher costs for the taxpayer directly in terms of the provincial subsidy, but also higher costs in terms of user fees; for example, the surcharges by endoscopy clinics in Ottawa, which were illegally billing members of the public about \$100 for non-medically-necessary services.

Those fees may seem insignificant, but, in fact, for most members of the public, \$100 is a lot of money. There is not supposed to be any financial disincentive to

receiving medical care in Canada, and certainly not in Ontario. For some people, they will have to choose between having an endoscopy done, for example, or paying \$100.

Most people are not going to be fierce advocates—I doubt I could be—to get my \$100 back upon learning that that charge violates the Canada Health Act. These private clinics, especially operated on a for-profit basis—the Canadian Medical Association Journal found, looking at dialysis clinics, that dialysis clinics had a 2% higher death rate, which, for Ontario, would come out as a significant number of people. The reasons for that were because those clinics in private hands skimmed on the use of professional staff and also skimmed on blood-cleaning products—diluted them to maximize profits.

That's a natural consequence, unfortunately, of delivering health care through a for-profit system. Of course, enabling the creation of private clinics, even initially on a not-for-profit basis, creates the vehicle by which corporations can come into Ontario to buy up these services.

The stability of community hospitals, like this one here in North Bay, is threatened by this policy. What has happened in Britain—which has, unfortunately, been an example to Ontario; I'm not sure why, in terms of health care policy—has been that, as these services are skimmed off to specialty clinics—in that case, on a for-profit basis—hospitals are left with the most complex cases because the clinics take the easiest, simplest cases; they're running factories and they achieve profits based on volume. As a result, they struggle financially. In Britain, if you check, you'll find that many British hospital trusts or corporations are in or on the verge of bankruptcy. One of the reasons for that is because much of their work has been siphoned off, leaving them with the most unpredictable, most complicated cases to deal with.

The other consequence of this policy which should alarm the public is the higher death rates. A death rate of 2% may seem insignificant; for Ontario, that would come out at about 900 people a year, which is a huge number, actually, when you think about it. Those deaths come partially because of, as I mentioned, the minimization of the use of professional staff, and also, in the case of dialysis, diluting blood-cleaning products, but also because, inevitably, surgeries have complications, resulting in emergencies.

The United States Congress suspended funding for private clinics for five years because there was a spate of deaths of people who had a medical emergency at a private clinic and died en route to hospital, because, of course, there are no emergency facilities available to treat patients. So we'd really like the province to reconsider its approach to privatization, both in terms of the movement of the public hospitals' surgical procedures to private clinics, and also, its preference for P3 construction.

Ironically, we're here in North Bay, where this community has been saddled with a much more expensive hospital in terms of its construction and ongoing costs than would have been the case had it been built in the

normal procurement manner. Unfortunately, this method of construction is preferred for many hospital redevelopments with the result that, for example, in Oakville, the costs of the new P3 hospital are staggering. They're unbelievably more expensive than the costs of a similar hospital built in the normal way, for example, Peterborough. We're talking many times more, and we've always been under the impression that Ontario did not have cash to burn in this way. We'd like you to reconsider that policy.

Finally, I really encourage the committee to consider whether it's sustainable to continue to deliver home care to Ontarians using the exploited workforce that now is doing that work. Elinor Caplan, charged by the government with reviewing home care services, found there was indeed a 57% annual turnover in caregivers in the home care system. The reason is because, paid at \$12.50 an hour with no guaranteed hours of work, with no mileage—sometimes driving to clients deep in the country an hour or more back—no support for their vehicles and no benefits, these women leave home care to work in the institutional sector whenever they can get a job that pays decently.

Other provinces have dealt with the turnover problem—Quebec has, British Columbia has—by building into their health care systems the expectation that irrespective of where you work, the institutional sector, the long-term-care sector or home care, there is a comparability of compensation. A result of that is that there isn't at all the turnover that occurs in Ontario. We have an unstable system. People don't work, actually, for an agency which has any expectation that it will keep that work for any length of time. If we really want to build in some type of continuity of care for people, we really have to look at how people are compensated. I say that, representing a union, but most of these workers are not unionized. They're not unionized.

It really is, I think, an important policy question for the government and the political parties to come to grips with, inasmuch as everyone's political theory is that we should move people into care in the home whenever that's possible. Then surely we have to provide that care in the home on a continuous basis, because none of our parents, at 85 or 90 years old, who have just learned to be comfortable with a caregiver taking off their clothes and being bathed or having dressings changed or whatever, wants to find out that next week, there's a new person coming in and next month after that, another new person will come in—all because we've built in some system of exploitation, which is really ruthless and completely without parallel in a Canadian context, when you look at other provinces. Sorry to go on.

**The Chair (Mr. Kevin Daniel Flynn):** The time is yours, Michael, to use any way you see fit. You've left about four minutes for questions.

**Mrs. Donna H. Cansfield:** I want to say thank you for your presentation. It was excellent. You raised some really important issues around the whole idea of how health care is going to be shifted and turned around,

because I think it was identified earlier, you can't build enough long-term-care homes; you have to look at alternative methods of care for people, depending on the complexity of their situation.

The whole issue around the PSWs is something that needs to be addressed. I would be interested in your comments around provision of standard of care. I'm a strong proponent that there should be some equalized standard of care and then adjustment and flexibility, depending upon region, geography etc. But have you looked at a standard of care, and have you looked at how—because the PSWs are looking at certification—that process might be accelerated so that in fact we can deal with some of the issues you identify?

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**Mr. Michael Hurley:** On the question of PSW regulation, it's also striking that although Ontario has regulated a host of professions—hundreds, perhaps thousands, including swine herders and hairdressers—PSWs are not included in that.

It strikes me that the registry that has been set up for PSWs is meant to provide some sort of cheaper form of regulation so we can in fact continue to exploit this group. I think that group should be regulated. I think, actually, the PSW training program now probably equates to what the RNA program, now RPN, was many years ago, before it was extended.

This is an occupation that does beg for regulation. There should be consistent standards of care—you're absolutely right—and there should be a form of regulation for that care which accords with the kind of regulation that you would expect from any regulated health profession or, in Ontario now, any trade.

**Mrs. Donna H. Cansfield:** Thank you. Then it raises an issue—and I think we heard this from the North Bay health centre—on the transition, as hospitals change, to go into alternate levels of care. Have you any ideas on—because he indicated, in speaking, that you need some time and you need to be able to do this in a way that works. Have you had any discussions with anybody in the hospital sector about this transition of taking the alternate-level-of-care patient out of the hospital and into, let's say, the home or other settings?

**Mr. Michael Hurley:** Well, yes, it's something that's talked about by people who work in hospitals all the time. We did also set up a hotline for the public and encouraged them to talk to us about their experiences.

I think it's important to acknowledge that Ontario already has the fewest hospital beds of any country in the OECD and already is operating at an occupancy rate of around 98%. In Britain, they would consider an occupancy rate of anything over 85% to be dangerous and unsafe. In fact, we have a far higher incidence of hospital-acquired infections as a result of the overcrowding.

I understand this desire to move people out of expensive care and into less expensive care. Theoretically, I think everybody would support that notion. The problem is that, as you know probably much better than me, there is a shortage of long-term-care beds and a difficulty in

placement. Also, particularly in that age cohort, there is a period for recuperation and rehabilitation that is required, and that period of recuperation is made more complicated now by the fact that we have cut back supports in the hospital for physiotherapy, speech-language pathology and audiology such that, for example, someone who has had a stroke, whereas previously they might have had something like 30 visits from a speech-language pathologist to help them learn again to swallow and to speak, now might get one or two visits. The rest of that is privatized.

People in that age cohort in those alternate-level-of-care beds are there for a reason. I'm afraid that they have been targeted as some sort of illicit users of medical services, when in fact most of them probably are winding up there, perhaps for the first time in their life, really needing some kind of medical care and expecting the system to come through for them, and in that age group, it's heartbreaking. It happened to my mother, and I'm sure many of you have had the same experience—it doesn't work out.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today, Michael. We appreciate it.

**Mr. Michael Hurley:** Thank you very much, Mr. Flynn.

#### NORTH BAY TAXPAYERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the North Bay Taxpayers' Association: Miles Peters. If you'd like to come forward, Miles. If you have a handout, we'll make sure they get distributed.

Please have a seat, make yourself comfortable, and perhaps introduce your colleagues. When you speak, if you'd introduce yourselves individually, then the folks at Hansard will know which one it is. You have 15 minutes, like everybody else. Use that any way you see fit. Any questions will come from the Conservative Party. The floor is yours.

**Mr. Miles Peters:** Thank you. I'm Miles Peters.

**Mr. Maurice Switzer:** I'm Maurice Switzer. Honourable committee members, welcome to North Bay. It's unfortunate you brought this frigid weather with you from down south, but we'll live with it; we'll get through it.

My name is Maurice Switzer. I am a member of the North Bay Taxpayers' Association executive. I'm a citizen of the Mississaugas of Alderville First Nation and I'm a taxpayer to the city of North Bay, the government of Ontario and the government of Canada.

North Bay and the Nipissing region have a vested interest in seeing Ontario become a provincial model that encourages entrepreneurship, provides lifelong learning opportunities and practices sound fiscal management.

Northern Ontario's most important resource is not the pieces of rock that lie beneath the surface of our vast land base; it is the people whose daily contributions and experience as teachers, miners, lumberjacks, surveyors,

truck drivers, trappers, shop owners and nurses make this one of Canada's largest and most overlooked pools of skilled labour. If Ontario can help our citizens achieve their full potential, everyone in the province will benefit.

The North Bay Taxpayers' Association was founded in 2012 to help position our city for future development in a financially sustainable manner. Our long-term goals include the encouragement of socially responsible economic growth in the area, as well as partnerships in business and other community sectors.

As its name suggests, our association wants local residents to get full value for the tax dollars they spend, and we are committed to pitching in and lending support to any project or enterprise designed to make our community a more desirable place to live, to work and to raise a family.

These are challenging economic times for all governments, providing an ideal opportunity for political representatives and civil servants to seek out expertise and advice from within their respective constituencies. There will always be more good ideas than there are elected leaders. The most effective governments are those that listen to their citizens.

Our association has chosen four areas which we feel, if addressed in the forthcoming Ontario budget, can produce long-term benefits for our city, our region and our province. We appreciate this opportunity to speak with you here this morning, and I'm pleased to introduce you to my fellow association member Miles Peters.

**Mr. Miles Peters:** Thank you, Maurice.

On education: Young northerners should not have to leave their homes, families and support systems to be educated or trained for employment opportunities. We should not continually need to import people to work in our universities, our hospitals, our forests and our mines.

The 2012 Commission on the Reform of Ontario's Public Services, also known as the Drummond report, cited "an urgent need to significantly improve the provision of on-reserve First Nations education in the province."

Our recommendation: that the Ontario government develop a pilot program to create an agency involving representation from municipalities, First Nations, industry and educators. Tasked with creating education and training programs to increase educational attainment and employability, the initiative could involve some of the 900 members of the North Bay and District Chamber of Commerce, whose national body issued a report in December, 2013, called Opportunity Found: Improving the Participation of Aboriginal Peoples in Canada's Workforce. The project could also tap into the expertise available on the joint campus of Canadore College and Nipissing University, which currently services the education and training needs of 600 full-time aboriginal learners.

Our rationale in this is, in addition to addressing concerns about out-migration of northern Ontario youth, our recommendation takes note of a Drummond report estimate that closing educational and labour market

performance gaps between aboriginal and non-aboriginal Canadians could result in real economic output of \$401 billion in a 25-year period. It also predicted a \$116-billion boost for governments' fiscal positions, including \$39 billion in increased tax revenue.

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**Mr. Maurice Switzer:** We want to speak as well on our second recommendation area about energy and resources. Geography dictates that residents of northern Ontario and our businesses will experience the financial impacts of rising energy costs more than others in the province. It costs us far more to heat our homes, cook our food, do our laundry and drive our cars. Competition has been effectively eliminated from the delivery and pricing of resource-based products, especially heating oil, gasoline, diesel fuel and hydroelectric power. Pricing is now inflated by self-serving corporate interests, taxation by revenue-hungry governments and stock market speculators. We feel that decisive action and legislation is urgently required.

Our recommendation is that the government of Ontario conduct an in-depth study of the province's energy sector, including Ontario Hydro, Ontario Power Generation and the hydrocarbon industries, to determine how its energy resources can be more affordable to businesses and homeowners. Our energy should provide an economic and competitive advantage for industry in Ontario, especially in the hard-hit secondary manufacturing sector.

As our rationale, Ontario's manufacturing sector, once dominant in Canada and the province's economic engine, is now plagued by excessive energy and transportation costs as well as poor economies of scale. Analysts have predicted hydro bills increasing by 33% over the next five years, 54% over the next 10, and 68% over the next two decades.

Our third point: industry and commerce. Secondary manufacturing and global and domestic distribution of products and services in northern Ontario face substantial challenges and a not-so-level playing field that requires encouragement, innovation and additional incentive to attract new enterprises and grow our employment base.

Our recommendation is that the Ontario government, in partnership with the government of Canada and individual municipalities in northern Ontario, offer and enter into joint contractual agreements and partnerships that provide incentives and a starting base for new ventures to establish and create employment throughout northern Ontario. These agreements could take on the form of tax-free zones that provide a tax holiday and/or municipal land incentives that encourage and offset development and initial investment costs. These agreements should be subject to provisions that ensure that long-term employment levels are established and maintained.

Our rationale is that tax-free zones are currently being aggressively marketed in places like upstate New York. We encourage more research and evaluation of their success.

Incentives to business, of course, are justified by job creation, which provides increased employee taxation revenues.



**Mr. Miles Peters:** Lastly, in relationship to jurisdiction and authority: Taxpayers across the province are increasingly shouldering a larger burden to pay for budget-line items over which they have no local spending control or authority to manage. Municipal councils are struggling to keep budget increases in single digits, due largely to provincially imposed arbitration settlements for emergency service employees: police and fire department staffing contingents. In addition to this ongoing annual burden on taxpayers, ahead looms the spectre of huge, exorbitant unfunded liabilities related to rich pension plans for municipal and other government employees.

Our recommendation: that the province restore jurisdiction and the powers to manage the costs of maintaining emergency services to local municipal governments and implement legislation to bring public sector pensions in line with those of the private sector.

Our rationale: The average annual compensation has reached \$126,000 for a North Bay fireman, who spends much of his time on standby and non-emergency duties.

According to Statistics Canada, over 60% of working Canadians do not have an employer-sponsored retirement plan. They indicated that 59% of Canadians are living paycheque to paycheque, with only a third of eligible Canadians making contributions to their RRSPs.

North Bay residents, like all Ontarians, are hopeful about our province's future, but that future can only be realized if we are persistent about living within our means, while striving for equality and fairness to correct inequities and find ways to create new opportunities and hope for those who come after us. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much. You've left some time for questions: just under five minutes. Vic?

**Mr. Victor Fedeli:** I'm going to have Doug ask.

**The Chair (Mr. Kevin Daniel Flynn):** Doug.

**Mr. Douglas C. Holyday:** Thank you very much. I'm very interested in your comments pertaining to emergency services and firefighters and the arbitration process that allows the costs to escalate the way that they have. I don't know if you're aware of it or not, but the Association of Municipalities of Ontario and the Large Urban Mayors' Caucus have met on this and have recommended to the government that they change the arbitration system. They want financial ability to pay to be involved, and they want consideration for individual municipalities. The way it is now, they leapfrog each other, and the thing just keeps going up and up, and there's no control. I just wonder what you thought of that matter. Would you support this change in the arbitration process? Municipalities try to hold back—and I know this from my experience in the city of Toronto—but in the end, an arbitrator usually overrides you, and it's done based on something that happened somewhere else.

**Mr. Miles Peters:** We support anything that recognizes and addresses the unsustainability of these programs. It's a matter that must be addressed and must be managed, because we're on a path that will eventually cause us great financial damage, and it just cannot be

sustained. Anything to improve both the operation of these emergency services and the compensation factors that are associated with them is greatly welcomed by the taxpayers at large.

**Mr. Douglas C. Holyday:** There's also, just quickly, two other matters the government is considering. One is a gasoline tax, up to 10 cents a litre. The other is an Ontario pension plan, and individuals would have to contribute to that as well as employers. I wonder what you thought of those matters.

**Mr. Miles Peters:** We're at our limits as taxpayers. It's pretty much a known fact that we're very, very worried, with the prices of our fuel supply and gasoline as they are now. We don't really feel, from taxpayers at large, that there's any more room to move in that direction. The inflationary factors covering our resource industries are out of our control now, and there's no competition involved to determine and set those prices. It was mentioned in this report that it's totally determined by the elements involved, including government taxation and the money markets. Somehow, we feel that legislation has to be required surrounding our resource industries so that we don't drive our industry out of our province and put such a burden on our homeowners etc. that we just are not able to survive for much longer. We have to recognize the trouble we're in with these inflationary costs.

**Mr. Douglas C. Holyday:** Thank you very much. I'm going to turn it over to my associate here.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about a minute and a half, Vic.

**Mr. Victor Fedeli:** Thank you, Chair. Thank you very much for an excellent presentation from both of you.

The tax-free zones and what's happening in New York—of course, we're bombarded with the television commercials. I'm not sure that we're ever going to get there, but you'll remember our buck-an-acre that we did in the city of North Bay that attracted Goodyear, Atlas Copco and Cementation. It was an absolutely wonderful program that put about \$35 million of buildings up. Do you want to talk a little bit more about that in the 45 remaining seconds, Miles, if you don't mind? I'd be more than eager to hear—

**Mr. Miles Peters:** We need real encouragement out there to create the incentive and the initiative to establish and to level the playing field, and overcome the obstacles that we're facing in northern Ontario. Anything we can do to grow our tax revenue base by employment taxation etc. we believe will more than offset the investment in encouraging development in our areas, because we have some real obstacles here.

**Mr. Victor Fedeli:** We've heard the obstacles right around the province. High taxes, high energy rates and red tape all seem to be real job killers. You talked about not wanting to see industry being driven out. I remind the committee and others of the high energy rates that caused Xstrata, the copper, the best example in Ontario—the saddest example, I should say in Ontario—where high energy rates caused them to pick up and move to Quebec

for low energy that we paid Quebec to take from us. It cost us 672 jobs.

**Mr. Miles Peters:** If there's not something drastically done in relationship to the supply of our hydroelectric power—we're spiralling out of control, and we're going to experience substantially more losses than what we've seen to date. That is a real concern.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Miles, and thank you very much, Maurice, for joining us today.

1130

#### CANADIAN FEDERATION OF STUDENTS—ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Canadian Federation of Students—Ontario, Alastair Woods. Alastair, come on forward and make yourself comfortable there. If you've got a handout, we'll take it from you. Fifteen minutes, like everybody else, Alastair. The questioning this time around will come from the NDP, if there's any time left.

**Mr. Alastair Woods:** Okay, great. Thank you very much for having me today. Not only am I based in Toronto, but I was born in Ireland, so this cold is truly unfathomable.

My name is Alastair Woods. I'm the chairperson of the Canadian Federation of Students—Ontario, this province's oldest and largest student organization. We represent 300,000 undergraduate, graduate and college students from Thunder Bay to Windsor, including Nipissing University students here in North Bay.

Ontario's youth and students are facing crises on multiple fronts, and the 2014 provincial budget can provide us with an opportunity to alleviate the financial and social uncertainty that colour the daily lives of young people today.

With record-high debt levels, increasingly expensive tuition fees, inflated costs of living and the expansion of unpaid internships, today's youth might very well become the first generation in a century to live worse than their parents. The economic and social health of Ontario depends upon the very youth who are being cast out to sea on a sinking ship. Now, more than ever, the provincial government must be bold enough to commit to solutions that can pull this generation back from the brink of bankruptcy.

Though Ontario's students are struggling under mounting financial pressures, we also have thoughtful and practical solutions to the challenges we face together. These solutions are contained in our pre-budget submission and outline a student's vision for an Ontario that is fair, equitable and sustainable.

The first challenge young people face is getting into post-secondary education. Chronic underfunding of our public colleges and universities has left students and their families to pick up a greater share of the bill for higher education in Ontario.

September 2014 will mark the ninth consecutive year in which tuition fees have been permitted to rise, making Ontario the most expensive province in which to study, for the sixth year in a row. This year, undergraduate students in Ontario paid an average of \$7,259 in tuition fees, while graduate students paid an average of \$8,456. Compare this with Newfoundland and Labrador, where undergraduate students paid an average of \$2,644 and graduates paid an average of \$2,473.

In an economy where over 75% of newly posted jobs require a degree or diploma, students are taking on higher debt loads to finance their studies. The average debt for a student who takes on public and private financial assistance in Ontario is \$37,000. Record-high levels of debt impede students' abilities to actively participate in economic life and delay important decisions until such a time that the student feels they can financially commit to starting a family, buying a house or a car, or starting a business.

Students are proposing a 30% reduction in tuition fees over three years. The first year would be cost-neutral by moving funds dedicated to the Ontario Tuition Grant and education tax credits into an upfront tuition fee reduction that applies for all students. The following two years would require modest investments to deliver the full 30% tuition fee reduction.

In addition to this, students are calling for increased funding to investigate and end illegal ancillary fees in Ontario, a reinstatement of post-residency fees for graduate students who have completed their coursework, and increased funding for the Ontario Graduate Scholarship Program.

If getting into college or university wasn't hard enough, life beyond the classroom has become even more difficult and unaffordable. For decades, tremendous shifts in the labour market have created broad expansions of precarious, low-wage work that is often part-time or contract. As students scramble to find any job that can pay their bills, they are often going to extreme lengths to gain advantage in the labour market.

For many Ontario students, unpaid internships and co-op terms are becoming increasingly and disturbingly common ways to build a resumé. In an example of supreme irony, many students engage in unpaid work through academic programs, are funnelled into these positions by their institutions who ask them to pay partial or full tuition fees for the opportunity to work for free.

It is difficult for us to qualify just how big the problem of unpaid internships is in our economy, since we do not collect any data on them. This is why students are recommending the Ontario government dedicate a modest amount of money to collect information on the prevalence of unpaid work.

There is, however, one sector of our economy where we do have more reliable information about unpaid work: the public sector. Many students in social service programs, such as nurses, teachers and social workers, are required by their programs to undergo lengthy unpaid work terms as part of their degree or diploma require-

ments. In many cases, these young people work full-time for extended periods, often months, performing the duties of regular paid employees without any compensation.

The public sector must be a leader in this regard, and take a bold step in the right direction by paying students who are performing internships and work terms in this sector, especially when these work terms fall under the requirements for their academic programs.

Finally, students are calling for increased investment to improve the reliability and affordability of public transit in the province. As primary users of public transit, students rely on trains, buses and streetcars to get to and from school, work, home and other social obligations. Yet chronic underfunding has made most public transit systems in the province unreliable, unaffordable and underserved. The government must invest heavily in public transit in all corners of Ontario to ensure that youth, students and all Ontarians have access to faster, greener and more affordable modes of transportation.

Students have also proposed a host of revenue-generating options, realizing that investing in the economic health of our province requires us to move away from the economic ideas of the past. In the last decade we've seen public spending cuts and a shrinking tax base while public services struggle to meet increased demand and user fees increase exponentially. It is time to switch directions in Ontario away from a mentality that encourages individualism and isolation at the expense of social cohesion and strong, reliable public services.

My generation has been ushered to the edge by political neglect, but we haven't fallen over the edge just yet. There is still time to make the future brighter and more promising for Ontario's struggling youth and students and, by extension, secure a more just, fair and sustainable future for our province as a whole.

Thank you very much for having me this morning.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you, Alastair, for your presentation. You've left about eight minutes for questions. Are you going to start, Catherine, or Michael?

**Ms. Catherine Fife:** Sure, I can. Thank you. The federation always does a very good job of bringing forward some key priorities. You've made some cost-saving measures which I find very interesting. I don't remember you recommending this last year, Alastair: that we look at the Higher Education Quality Council of Ontario, this so-called arm's length—do you want to just talk a little bit about that?

**Mr. Alastair Woods:** Yes, absolutely. The Higher Education Quality Council of Ontario is an arm's-length public research body that was designed to do research and help guide policy in the higher education sector. Unfortunately, it has become a rubber stamp for government policy. It is our opinion as a federation that it should be completely eliminated and that money could be put to better use by funding grants, tuition fee reductions and scholarships. We do not believe that the Higher Education Quality Council of Ontario deserves the money that it's given, particularly given the fact that they do

support many government policies that have led to the erosion of the quality of education in this province and have proposed ideas that can be quite outlandish, such as using Aeroplan points to pay for your tuition fees, which is something that many students will never be able to take advantage of. So it's our opinion that we should redirect the money that's put into HEQCO to a more useful and productive program.

**Ms. Catherine Fife:** Thank you. Something that's not contained in your presentation but that I'm interested in getting your perspective on: The government announced yesterday that they're going to be extending the private colleges that will now be eligible for the tuition-fee discount. I do think that this is probably good for co-op students because they've been left out of the equation—the 30% reduction. Do you want to comment? Does your association have a perspective on this move?

**Mr. Alastair Woods:** Yes. First of all, in the broadest sense the federation is quite critical of the 30% off tuition fee grant. We don't believe that it reaches enough students. Right now, only two out of nine students are eligible to receive the grant. The expansion adds 5,000 new eligible students, many of whom are studying in private career colleges. The federation does not believe that private career colleges should be permitted in Ontario, particularly because they offer unregulated tuition fees which are often two, three and four times higher than similar programs at public colleges and universities. There have also been cases of private career colleges packing up and leaving overnight, leaving students who have paid tuition fees with no qualifications, and many more private career colleges who deliver qualifications that are incompatible with the qualifications required for particular jobs.

We do believe that the money used for the Ontario tuition fee grant could be put to better use, utilizing not only the Ontario Ombudsman but also other departments of the government to crack down on the abuses by private career colleges.

**Ms. Catherine Fife:** Okay. Just one other comment: In yesterday's announcement, it was called a win-win because the ministry has also tightened eligibility for OSAP. Do you see eligibility for OSAP as a problem in the province? When I'm talking to my constituents, they fight tooth and nail to get any kind of support. So can you talk about that eligibility framework?

**Mr. Alastair Woods:** Yes. I think that there are many, many students who have to take on loans, whether it be through private banks or through public loans through the National Student Loans Service or through the Ontario Student Assistance Program.

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One of the things that we're quite critical of in terms of this loans-based financial assistance program is that many students who can afford to pay their tuition fees upfront, if they come from a higher-income family, won't be paying back any of the interest that's being given on that loan. What we're actually seeing is that lower-income students who have to take on the debt loads

through OSAP, if they're eligible at all, will often be paying two or three times more for their education over the course of their life than a student from a high-income family who can pay upfront. So, certainly, we believe that the best way for financial assistance is a needs-based non-repayable grants program, so that we can direct the money towards students who need it most, and make sure that the students who need the most financial assistance are getting it in a way that's equitable and fair.

**Ms. Catherine Fife:** Okay. Do you have one more question?

**Mr. Michael Prue:** I have a couple of questions. How much time is left?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about three and a half minutes.

**Mr. Michael Prue:** Okay. I want to commend you, because a lot of groups come in and ask for things, but they don't tell us how to get the money. You've put some pretty bold suggestions down here: capping university salaries at \$200,000 or \$250,000. Any thoughts—what do professors and those who make more than that think of this suggestion? We haven't heard from them at all.

**Mr. Alastair Woods:** Well, most people who would be affected by the salary cap are upper-level administrators. These are often people who are making \$300,000 to \$450,000 dollars on top of benefits. We do not see any reason why a senior administrator of a public college or university should be making that much money. The numbers that we've got here can actually—we say that it can save \$17 million per year, and that was simply our calculations by going through the sunshine list of the upper-level, senior administrators who make that much money.

**Mr. Michael Prue:** I think the highest-paid one was the York University president, was it not?

**Mr. Alastair Woods:** I think so, and that was my alma mater.

**Mr. Michael Prue:** All right. So you're not so much looking at the professors; you're looking at the administration, and that's going to save \$17 million. Okay.

The second thing you talked about is revenue-generating options, including a surtax on those who make over \$250,000. We already have a surtax on those who make over \$500,000, but it's due to expire. So are you recommending keeping the \$500,000 and, as well, adding another one?

**Mr. Alastair Woods:** I would think so, yes. We need to find new ways to raise revenue, and we think that a modest tax increase on a small segment of the population would be helpful, as well as restoring some of the corporate tax rates would go a very long way to raising the money we need.

**Mr. Michael Prue:** Now, there's at least one party who wants to reduce the corporate tax even further and one who's sort of happy the way it is. What do students generally think about letting the corporations have the lowest corporate tax rate in North America? Is that producing jobs for students out there?

**Mr. Alastair Woods:** Absolutely not. Even in the government's own fall economic statement, there was a contributors-to-growth gap that showed that even though we have the lowest tax rates in North America, there was actually no change in business investment from 2007 to 2013.

We've had businesses that have said, "We need these tax breaks so we can create jobs and invest in skills training," and they've done the exact opposite. They've outsourced jobs, and now, even today, they're still trying to push the cost of job training onto colleges and universities that are already underfunded and can't afford to do that.

**Mr. Michael Prue:** I think those are my questions. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming, Alastair, and for your presentation.

**Mr. Alastair Woods:** Thank you very much.

#### MUNICIPALITY OF CALLANDER

**The Chair (Mr. Kevin Daniel Flynn):** Our last delegation of this morning is His Worship from the municipality of Callander, Hector Lavigne. If you'd like to come forward. We started with North Bay; we'll end with Callander.

**Mr. Hector Lavigne:** There you go.

**The Chair (Mr. Kevin Daniel Flynn):** Fifteen minutes, like everybody else, Your Worship. You get 10 minutes for the presentation, about five minutes for questions, if you would like. The questions will come from the government side this time.

**Mr. Hector Lavigne:** Thank you very much, members of the standing committee, for the opportunity of delivering what I believe is a message that most municipalities, most rural municipalities, have offered you. There may be some repetition in the presentations, but that should suggest to you the validity of some of the calls that are coming your way.

In my view, the state of municipal infrastructure, especially in northern Ontario, is in dire straits. The reduction of core provincial funding mechanisms like the Ontario Municipal Partnership Fund program has significantly impacted the ability of smaller municipalities to address municipal infrastructure issues. In our case, the OMPF funding in 2012 was \$639,000; it was \$560,000 in 2013, which will be reduced to \$506,000 in 2014.

While the provincial uploading of social service costs initially resulted in a decrease in municipal levies, this has been offset with increasing social service levies and policing costs, leaving municipalities with a shortfall in terms of provincial funding. For example, our DSSAB levy was \$216,000 in 2011, and now, in 2013, we're at \$224,000.

I am also a member of the board of the DSSAB and I understand their issues, but the uploading hasn't filtered down to the municipalities in the right fashion. It seems to boost up some of the ABCs. They are using monies for

reserves, and rightfully so in a lot of cases. But for municipalities, we're not seeing any net benefit to the uploading. I understand the argument you may have that we have to pay for it anyway eventually, but at first glance that is an issue for us. Overall DSSAB levies were reduced \$50,000 with uploading, but OMPF was reduced over \$100,000.

For small northern Ontario rural communities, investment in sustainable municipal infrastructure is central to job creation, job and business retention, and improved service levels. In order for small rural northern Ontario municipalities to be able to conduct appropriate asset management plans, including preventative maintenance and the building of much-needed reserves, as well as to be able to comply with increasingly onerous and costly legislative requirements and unforeseen disasters, consistent, adequate and predictable no-ties funding must be provided by the upper levels of government on an annual basis. Certainly the AMO position mirrors this, or ours mirrors the AMO position in this regard as well.

This funding should be specifically geared towards small rural northern Ontario municipalities. I use the figure of 10,000 population or less. There may be an argument from my friends in municipalities with larger populations, but we as communities are under-equipped, understaffed and generally unable to compete with larger neighbours for competitive allocations. As well, we do not have the buying power to realize construction and service cost savings.

Predictable yearly investment without ties to any one project or set competitive criteria—for example, an income stream—in these small communities by the province will result in—excuse me for a second. You know that movie—who's that comedian there? Anyways, he gets dry mouth. That's what I've got right now. Excuse me.

Predictable yearly investment without ties to any project or set competitive criteria in these small communities by the province will result in: improved asset management, extending the life of infrastructure in a more cost-effective and innovative manner using current technologies; job creation in the short term in the private sector via infrastructure construction contracts; job creation in the private sector long term via renewed business development in the north by attracting investors and new businesses; the potential for the enhancement of transportation services; and job creation in the public sector via the hiring of increasingly skilled municipal staff, all of which results in improved service delivery, increased and varied services, and the enhancement of existing services. This type of northern-Ontario-specific funding, spurring growth and development in the north and connecting northern communities, is specifically contemplated by the northern Ontario growth plan, which has yet to be realized or appropriately implemented, in my view.

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Further, the province could assist these municipalities by offering joint or coordinated infrastructure construction projects where these municipalities could benefit

from the buying power of the province, thereby allowing construction costs and allowing for more infrastructure projects to be conducted with less money.

Further, predictable funding would eliminate the competitive nature of dealing with municipal infrastructure issues and would encourage smaller municipalities to work together to deal with common issues.

All of the foregoing will eventually result in a lowering of the deficit as the need for provincial intervention will diminish as these communities become more self-sustaining. Growth is spurred, operational efficiencies are realized and the overall cost of development, maintenance, enhancement and repair is reduced over time.

In our municipality, \$35,000 represents 1% of taxes. Some 98% of our tax base is residential. Everything that we do falls directly on the shoulders of the property taxpayers. We also have on one side the luxury of water and sewer, the benefit of having water and sewer. It's a double-edged sword, with 760 users on it. We had a 15% increase in our water rate last year. We've spent \$2.9 million of our own money, without assistance from the government, this year, and in 2014, for the maintenance of those particular lagoons. We've paid out of our own money—borrowed, of course—\$800,000 for some road construction. With the assistance of both the federal and the provincial governments, we're rebuilding our marine facility; however, that costs us our own money—\$500,000.

We are doing, from my perspective, all the right things. I think we're sending the right signals out. However, when it gets down to infrastructure and the recent rural infrastructure funding formula, we were turned down based on the fact that there are other municipalities with more critical needs than ours. It suggests to me that the government wants us to go into debt as far as we can, and when it becomes critical, then we're in a position to get some more money. I think that is something that we need to fix.

I'm a willing partner in terms of development and I'm a willing partner in providing examples and recommendations to you in fixing not only our issues but potentially some larger issues, and I offer you this as my presentation. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** That's wonderful. Thank you, Your Worship.

**Mr. Victor Fedeli:** Chair, can I ask, are we going to receive a copy of that?

**Mr. Hector Lavigne:** Absolutely, yes. I have one copy but we will make sure that you have a copy of it.

**The Chair (Mr. Kevin Daniel Flynn):** We'll distribute that for you. We've got about four and a half minutes. Who's going to start? Soo, and then Donna.

**Ms. Soo Wong:** I just want to say thank you very much for your presentation, Mayor. I'm particularly interested in your comment about smaller municipalities working together, as well as your comment about the infrastructure projects. Are you alluding to encouraging municipalities, through Infrastructure Ontario, to leverage some of these big projects? Can you elaborate on both of those comments?

**Mr. Hector Lavigne:** Yes. If I understand the question, I think—a little bit outside the box—if we can work with the government where the government can be the leader in terms of the contracts, whether it be culvert replacement or bridge replacement or so on and so forth, and make it a project, we're going to get the economy of scale that the province partnership can certainly provide us. So that's just a thought, from our perspective, on how to deal with these larger projects.

Sustainable funding is one thing, but as you know, every project that we have is not the \$100,000-fix-the-road; they tend to be \$1.5 million and \$2 million. When I refer to \$35,000 as one percentage point in terms of taxes, you can surely understand the burden that small communities have in wrestling with these particular projects. It took me, as mayor—and I've been the mayor since 2000—all of that time to get co-operation from both levels of government to assist us with a failing marine facility. To do it on our own: \$2 million plus the need for road infrastructure renewal, facility projects—it's just unbearable. You just don't have the tax base to be able to do these things.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Donna?

**Mrs. Donna H. Cansfield:** I was interested as well—thank you for your presentation.

I think northern communities receive \$340 million or \$339 million out of the Ontario Municipal Partnership Fund, and I know that an additional \$86 million went into the roads program just in 2013. So I guess I'm concerned that you're not getting a reasonable share of that, because I recognize the challenge, especially around your roads, given what I used to do. So that's one question: How are you able to access so that you get your request on the table in a fair and equitable fashion? That's my one question.

Then I'd be interested to hear about DSSAB, as well, in terms of why that money is not filtering down to you and what you think we can do about that.

**Mr. Hector Lavigne:** Thank you. In terms of funding, rest assured that our municipality has applied at every

opportunity for funding projects. We have our priority projects, and we have delivered those particular applications. Why they haven't filtered down—I can only suggest, in the comments made, and I refer to a letter that Al McDonald sent to you, that, in terms of criteria, property assessment and incomes are not the best criteria for determining a community's economic conditions. Secondly, the primary criteria for assessing applications—a great deal of time, effort and money could have been avoided by simply advising which municipalities would apply.

I make reference to that comment in relation to the response that most communities—East Ferris, ourselves, North Bay and many more—have received with respect to recent applications: that those municipalities with more critical issues are going to get the nod on this. So we're there applying, and that speaks to the consistent funding that not only AMO but all the municipalities in Ontario are looking for. If it's consistent and we can deal with it from our priority perspective, then we can go forward with it.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Your Worship.

**Mrs. Donna H. Cansfield:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning.

**Mr. Hector Lavigne:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** It was appreciated.

**Mr. Hector Lavigne:** Righto. And we'll certainly, Vic, get you a copy of that as well.

**Mr. Victor Fedeli:** To the Clerk, actually; to the Clerk.

**The Chair (Mr. Kevin Daniel Flynn):** Some information for the committee: Those of you who haven't checked out, that would be a good idea. Lunch will be in the Fab Lounge. Taxis for the airport are going to leave at 1:15 in the lobby.

I'm going to adjourn the committee to Kingston.

*The committee adjourned at 1200.*

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