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(Hansard)**

Mardi 27 janvier 2004

**Standing committee on
finance and economic affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: Katch Koch

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

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

Tuesday 27 January 2004

Mardi 27 janvier 2004

*The committee met at 0901 in room the Best Western
Cairn Croft Hotel, Niagara Falls.*

PRE-BUDGET CONSULTATIONS

The Chair (Mr Pat Hoy): The standing committee on finance and economic affairs will please come to order.

I have a few announcements for the committee members. One is that they would like you to take your belongings out of your rooms at the noon hour; perhaps you could put them in the back corner over here. Your accommodations have been paid for, but if you have any outstanding bills that would not be covered by the Legislature, check with the front desk in that regard. As well, we would ask everyone in the room to turn off their electronic devices.

Mr John O'Toole (Durham): Mr Chair, I would just like to make a comment. I think it's a nice, cozy set-up here today. I like being this close to government; actually, I'd like to be a lot closer.

The Chair: Thank you for your comments.

**ONTARIO SECONDARY SCHOOL
TEACHERS' FEDERATION
DISTRICT 22, NIAGARA**

The Chair: The committee is pleased to be in Niagara Falls today, and we look forward to all the presentations that will be given to us. With that, we'll start with the Ontario Secondary School Teachers' Federation. I would ask you to give your name for the purposes of Hansard. You have 20 minutes for your presentation, and you may allow some time for questions if you wish.

Mr Craig Brockwell: I'd first like to thank everyone for allowing me the opportunity to speak. I've provided a presentation as well. Perhaps I'm not going to be providing insight into how you're going to make the budget, but I'm going to hopefully eliminate one area that is of vital concern, at least to me, to my members and to the broader public.

My name is Craig Brockwell. I'm president of District 22, Niagara, of the Ontario Secondary School Teachers' Federation. I represent approximately 1,100 teachers in the Niagara region, all secondary public. Above and beyond these teachers, though, I represent the interests of the 15,000-plus students whom these teachers serve each and every school day.

Education was the first plank in the Liberal election platform. The Liberals' excellence for all plan for public education promised to make the necessary investments to achieve the very ambitious goals set out in this plan and to fund schools for success. The word "success" is critical, not only in the Liberal plan, but also in the OSSTF beliefs.

Our new government was elected with a mood for change and with a mandate to improve health care and our educational system. This cannot be achieved if we ignore recent recommendations in the Rozanski report. We must not allow the inherited deficit to push us off course. As a government, you cannot betray the overwhelming mandate you received to improve Ontario's public services and, more specific to my presentation today, education. If the necessary investments in education are deferred, we will have extended a vision for education that was soundly rejected this past year.

We are presently experiencing a time of low inflation. This provides us with the unique opportunity not only to catch up but also to keep up with the increasing costs of supplying the students of Ontario with the tools for success. If we do not move forward at this time, we will only fall further and further behind in meeting our students' needs. While the ever-present deficit may feel like an anchor around the government's neck, we must be both bold enough and brave enough to forge ahead and meet the challenge at hand.

The development of the funding formula included a 1997 study of the costs of services and goods provided by school boards. These actual costs were said to be used to determine benchmark values which became an integral part of the formulas that generate funding that boards receive to cover the costs in areas of learning resources such as textbooks, classroom supplies, computers and related costs; school operations, including heating, lighting, maintenance, repairs, cleaning and insurance; construction, including major repairs, renovations, additions and new buildings; and salary and benefits for administrators, teachers and support staff.

In the fall of 2002, the Rozanski task force heard in its submission after submission that the key factor in the underfunding of school boards was that the benchmark costs had not been updated since 1998. There were some increases to the benchmarks since 1998 but nothing that would reflect the actual cost increases. Rozanski made it clear in his report that despite other shortcomings in the way grants to school boards are generated, a formula-

based approach was an efficient way to calculate funding that was designed to be equitable to all school boards in the province. It was also made clear that the key to the integrity of a formula-based funding generator was the continued maintenance of the benchmark values embedded in the calculation. Therefore, it was no surprise that Rozanski's number one recommendation was to update the benchmark costs in the funding formula to reflect the actual costs in 2003.

The degree of the underfunding was highlighted in the significant projected funding needed to update the benchmarks. The \$1.1-billion shortfall in funding was so significant that Rozanski proposed the government be allowed to allocate this catch-up funding, which I mentioned before, over a three-year period. The former Tory government made good on the first year of the process in the 2003-04 budget. The 2004-05 budget must include the second instalment.

On top of the catch-up provisions in Rozanski's recommendation number one, the funding formula must be kept current if it is to address the ongoing costs of operating a school board. Rozanski's report stresses the need to provide an annual funding increase to keep benchmarks current. In addition to an annual review of benchmark adequacy, a more comprehensive review every five years would be suggested. Without this keep-up feature of the funding formula, funding will continue to lag behind the actual cost of providing the services required.

There are other inadequacies with the present funding formula as well. Grants for secondary schools are currently based on a cap of 7.5 credits per student. This penalizes school boards where students take on average more than 7.5 credits. In my own board, the District School Board of Niagara, we are presently experiencing an average credit count between 7.5 and 7.6. With Niagara, every tenth of a point in the credit count equates to 10 teachers, and we expect to see a further rise in the credit count next year under the same conditions, those being the continuation of a four-year high school diploma.

0910

Many district school boards, for a number of reasons, have designed the school day so that students may take more than four courses per semester and possibly more than eight courses per school year. Many school boards have music and other programs that provide credits for work done outside of the traditional instructional class time. In addition, the shortening of the secondary program to four years has caused the average credit totals in school boards to steadily increase.

As I have just mentioned, the funding formula provides initial funding for an average of 7.2 credits per student in the foundation grant. The teacher compensation grant provides funding for additional credits above the 7.2 average, up to a maximum of 7.5 credits per student.

Many boards are now reporting an average above the 7.5 maximum that is funded. I just mentioned my own board; we're between 7.5 and 7.6. A number of boards

are reporting an average of at least 7.6 credits per student. The main non-funded expense for these extra credits is teacher cost. Even though these boards have credits above the funded level, the board must still comply with the 21-to-1 class-size regulation. Therefore, additional staff must be provided.

I've provided an example. I'm not going to go through the calculations, but I'm just going to end up with the subsequent calculations. For 15,000 full-time equivalent students at 0.1 average unfunded credits per student, you have 1,500 credits with no funding. If you have to maintain the 21-to-1 compliance requirement, that equates to 71.42 classes. At six classes per teacher, that would require 11.9 teachers. The cost of 11.9 teachers, based on the present funding formula, would be \$700,000. Therefore a medium-sized board—and my board would be one of those—with a secondary enrolment of approximately 15,000 students would experience an underfunding of students' normal credit classes of over \$700,000.

Currently, funding for teachers is based on a teacher teaching 6.5 credits on average. Since the 1998 round of collective bargaining, a workload of six credit classes per classroom teacher was negotiated in most cases—and specifically, locally—but funding remained at an assumed credit workload of 6.5 per teacher. Although the hiring of additional teachers would not relieve the teaching time workload requirement, a school board can relieve some class size problems with additional teaching staff

Unfortunately, using current funding rules, the school boards would experience a dramatic financial impact. Funding for teacher salaries is based on student enrolment and the number of credits generated by students. If the school board were to hire as few as five teachers, and if it is assumed that the vast majority of the additional teachers are starting at the bottom of the experience and salary grid—where they likely would be—the salary and benefit expense of the required teachers would be \$225,000.

An important additional funding impact must be addressed. On the revenue side, the teacher compensation grant in the funding formula claws back funding from school boards when teachers are placed near the bottom of the experience and qualification grid. The average per-teacher clawback for this group would be approximately \$15,000. In the calculation there, that equates to \$75,000—five teachers at \$15,000 per teacher.

Under current funding provisions there is no mechanism other than the teacher compensation grant to fund additional teachers. The financial impact on school boards would be at least \$300,000. Again the calculations are there for you.

My focus here has been with the teacher costs. However, these deficiencies in the funding formula would also affect support staff—that's our caretakers, our secretaries—both custodial and secretarial, resources such as textbooks, computers, floor space—that's existing space within the schools—as well as a number of other areas. Each of these areas is critical to student

success. If the required investments do not follow, our children will not be properly served or accommodated.

Education is an investment, not an expenditure, and poor investments yield poor dividends—that includes a lack of investment leads to poor dividends. After health care, education is the next major expense in the provincial budget. This is because both the government and the public understand that education benefits all of society. Educating children is a way of ensuring that they will gain the knowledge and the skills necessary to compete effectively in the job market and consequently help society develop economically for many, many years. In addition, it is firmly believed an educated populace will reduce the occurrence of crime, welfare and other social maladies.

Our students deserve a bright future, and today that means we need a great education. We, both the government and the public, must not give up on our publicly funded school system. It has served us all very, very well, and we hope that it will continue to do so.

That's my presentation. Again, noting that perhaps I'm not directing you in areas where you might save dollars, you have a daunting task ahead of you. Certainly the inherited deficit is a great one. But I think that the one area where we have to make the investments, that we have to at least maintain the direction that we experienced at least last year with the previous government investing in the catch-up dollars with Rozanski—I think that we have to continue that path and move forward, so that all of the students, all of our children in society are served well by the education system.

Thank you very much. I appreciate your time and your attention.

The Chair: Thank you. We have about two minutes per caucus. Please leave time for the deputant to respond within that two minutes. We'll start with the official opposition. Mr O'Toole.

Mr O'Toole: Thank you very much, Mr Brockwell. I appreciate your input. I can only say, in qualification, that I have a daughter who's a high school teacher. I know they work quite hard; in fact I think she has six and a half credits that she's teaching. I know that she teaches an area—I think she teaches science and history. Anyway, you won't find me in too much disagreement. I appreciate the positive comments you made on page 2 there, that the government made good on its first year. We did have a commitment to do the follow-up on Rozanski; I think the number was \$2 billion. We know and value education.

I'm just going to pick up in the free seconds that I have here: As a government you cannot betray the overwhelming mandate you received from the people of Ontario. It's a fairly good encapsulation of where they're stuck, because really they knew there was a serious revenue problem with SARS, BSE, the blackout. Gerry Phillips said in June that there was potentially a \$5-billion deficit, and they went ahead and made all the promises. In fact, we had a great presentation yesterday from the Centre for Policy Alternatives—Hugh

Mackenzie. You should get a copy of it. It's a really good thesaurus or kind of a pictogram here of how they failed actually to be honest with the people of Ontario.

The Chair: Would you put your question, Mr O'Toole.

Mr O'Toole: The question here is, how much, not just for your school, do you think it would cost this government to fulfill the 20-to-1, the number of students, the number of schools, the number of principals? The promise in education was profound. I think it was in the order of about \$3 billion. How are they going to fulfill that promise? Or did they just promise whatever to get elected?

Mr Brockwell: I can't comment on what the thought process was behind the party moving in.

Mr O'Toole: There wasn't any.

Mr Brockwell: I know that the investment has to be substantial. I mentioned both the catch-up and the keep-up. Because of low inflation, I think that, depending on how the economy performs this year, hopefully we won't have the crises that we experienced last year, and that we might see a little bit of kick in the economy this year. Hopefully we'll see a return. I don't know how it's looking in the tourist industry in Niagara Falls, a big part of the economy locally, but hopefully the revenue generated through the economy this year will be able to support the needs of the educational system. I'm hopeful.

The Chair: Thank you. We move to the NDP. Mr Prue.

Mr Michael Prue (Beaches-East York): I noticed some troubling statistics coming out of education in Ontario in the last few weeks. One of them was the number of children who are now not completing their secondary school credits. It's raised from 20% to 25%. I would assume this is somehow tied in to the lack of teachers—if you can get better individual attention, if you can be motivated by the teachers. Do you foresee, without the lack of this additional staff and monies that you are asking, that this disturbing trend will continue, that we will have more and more children not completing secondary school?

Mr Brockwell: I think if we see investments in areas—literacy, remediation, things along those lines; I know there were recent dollars committed toward remediation. I think that we have to see a mood change in education, and hopefully we'll see that in a go-forward position. This present government has made some changes that have helped the mood of my members, at least, and hopefully that will continue; I think dollars invested not only in the teacher or the compensation side—I'm talking salaries—but in other areas such as special education, perhaps fine-tuning the funding formula so that it truly reflects the actual costs. I think you could probably see some gains and realize some efficiencies. So I'm hoping that all those things occur, and that will certainly improve on those areas.

0920

I taught in a school just a couple of blocks away, Stamford Collegiate here in the Falls, for 12 years, and

we served quite a number of very hard-to-serve students. I think we did a good job. Certainly the teachers are critical to that, and not only the teachers but the support staff. Having a welcoming environment, a clean school and a great place to learn is always very important; secretaries with a nice smile in the morning when you're going in to report to the office or whatever is always important. So the whole school, everyone pulling together and in a good mood, would help, and certainly some changes or investments in education would help that.

Mr John Wilkinson (Perth-Middlesex): Thanks for the presentation. There are a couple of things—just your thoughts.

In this exercise, as we look at having to deal with this deficit that we've inherited, we're always looking at areas where there's money being spent, and the people in the system—the people who work for us, the people who are working for the children—think that the money is not being well spent. I always give the example that we can't afford to spend \$30 million to keep track of \$20 million. In your own experience within education, do you find that after, say, the last eight years there are areas where money is being spent that really should be redirected so that it goes into the classroom, it goes to the children? I'd be interested in your comment on that.

Mr Brockwell: I think when you ask that question of the broader public, the number one concern is always transportation and trying to combine—everyone will comment that you've got at least two buses, perhaps more than that, stopping at the corner of your street. That's always an area where they try to make some changes. My understanding, at least with the funding locally, is that we're underserved by the transportation grants within that.

I was also the head of an art department. When I took on that position in 1992, my budget for approximately 40-odd classes was about \$15,000. When I left that position in 1997 or 1998, my budget was about \$3,000. I don't think the students' needs were served by that. If there were efficiencies there, they were obviously found, and perhaps more. I took on the task of trying to draw from the students, have them pay for their own supplies and things like that. The difficulty there in a school like Stamford was that we had a broad range of economic status within that system. I had some kids who were from middle-class families, some from very well-to-do families and some who couldn't even pay the \$15 for an art tool kit. So in my own experience there were some difficulties with that.

Efficiencies: I know that at the local school board our administrative costs are approximately 2.6%. In this particular board, at least last year, they didn't hire a new superintendent. If you go to any level of the education system, if you're a classroom teacher, what's your concern? Your concern is the 30-odd kids in each class sitting before you, six classes a day. For me as the head of a department, it was not only those 30 kids in those six classes; it was everyone in my department. I come to it

from a different perspective. Then I went on to the vice-principal, principal and superintendent. So I think you're going to see, depending on whom you're speaking to, a broad range of suggestions as to where you can make the efficiencies. We're at the bone right now, I think, locally.

Mr Wilkinson: That's why I was looking for your comment about that. The system—

The Chair: The time has expired, Mr Wilkinson.

I thank you for your presentation this morning.

Mr Brockwell: I appreciate it. Thanks very much.

CITY OF NIAGARA FALLS

The Chair: I call upon the city of Niagara Falls. Would you kindly identify yourself for the purposes of Hansard. You have 20 minutes for your presentation, and you might want to allow some time for questions.

Mr Ted Salci: Good morning, Mr Chair, ladies and gentlemen and members of the committee. My name is Ted Salci. I am the mayor of the city of Niagara Falls. I'm pleased to be here at the pre-budget consultation session that's taking place in our community this morning. I am confident that you will receive necessary feedback today from the taxpayers of Ontario. In addition, this provides me with an excellent opportunity to outline some of the constraints and issues faced by the municipal level of government.

Niagara Falls is known as the world's most famous address. We developed our reputation as one of Canada's foremost destinations. We are the number one tourist destination for Americans coming to Ontario and the number two destination of all visitors coming to Ontario. Obviously, 2003 saw our tourist sector witness a difficult time with such extraneous factors as SARS, the Iraqi war, mad cow and the rising Canadian dollar. It will probably be 2005 before the tourism industry fully recovers in Niagara.

Although Niagara Falls has a population of approximately 80,000 residents, we should not be compared to similar-sized municipalities. We host over 14 million visitors a year, and during the summer months our community can count on an additional 30,000 people per night and 100,000 people on a typical summer day. Obviously, these numbers affect issues such as infrastructure and the provision of services. Therefore, the problems that Niagara Falls faces are more analogous to some of the larger cities in Ontario, especially those with a large visitor base. I will try to outline some of the issues that we are facing.

As alluded to, the past year was a difficult one for the local economy, which is largely dependent upon tourism. Despite the many factors that affected the tourist season, Niagara Falls Tourism and the various tourism stakeholders, including the province, were not complacent. They worked hard in expanding programs and increasing marketing efforts in the form of advertising, print and media and trade show activities.

The difficulties of 2003 outlined how essential it is to market our community. The name "Niagara Falls" only

goes so far. Therefore, the first issue I would like to examine is a business improvement levy for destination marketing. The city of Niagara Falls, with the support of Niagara Falls Tourism, NFT, is proposing that the province of Ontario introduce enabling legislation that would give municipalities the option to apply a levy on hotel room sales. The funds from such a levy would be used for destination marketing by Niagara Falls Tourism.

In Canada, some provinces have decided to generate revenue dedicated to destination marketing through the vehicle of a business improvement levy. Business improvement levies for the hospitality sector are in place in British Columbia, Quebec and Newfoundland and Labrador. In these provinces, the levy represents a self-sustaining way that the hospitality industry generates revenue.

The best way to implement a business improvement levy in Ontario is to have the province provide enabling legislation, which would allow municipalities to establish a levy at the option of the municipality. In BC, provincial legislation enables municipalities to add a 2% levy on the amount they charge for hotel rooms. Guidelines for the surcharge indicate that the purpose of the levy is to assist municipalities or regional districts in funding tourism activities, and particularly tourist promotion and the financing and operation of new tourism facilities, which do have the joint support of the municipalities or regional districts in the tourism industry.

The amount collected from the levy is likely to be substantial. For example, in Vancouver, 100% of the funds raised go to Tourism Vancouver for tourism marketing efforts. This represents approximately 71% of their total budget of \$11.8 million. If a 3% levy was implemented in Niagara Falls, it has been determined that it would generate between \$9 million and \$10 million for destination marketing initiatives and the financing of new tourism facilities locally.

Tourism is a critical sector of the provincial economy, supplying more than 250,000 jobs, 29,000 of those jobs locally. Visitors to Ontario spend more than \$9 billion annually, and \$1.5 billion of that is spent locally in Niagara. Tourism generates extensive tax revenue: Actually, 17 cents of each dollar goes to the federal government, 12 cents of each dollar to the provincial government and 2 cents per dollar to the municipalities.

In 2000, Quebec and British Columbia, which have a levy and are Ontario's primary competitors for the Canadian tourism market, experienced increases in market share of both domestic and US visitors. Ontario experienced a decline. If Ontario had held its market share from 1998 to 2000, it would have received an additional 1.5 million overnight visitors, generating an additional \$340 million in revenue. Destination marketing is critical to delivering incremental visitors to a destination. The visitors spend incremental dollars. This new spending generates new income activity—jobs, income, taxes—and drives new developments as the market share grows

0930

The tourism industry is beneficial to our community as far as assessment. The tax per hotel room is almost

double the typical tax for a detached bungalow in our community. It is appropriate for the residential sector not to have to carry the tax burden; however, it is essential to have an equitable tax assessment system. Therefore, let me turn to the issue of assessment.

Under the Municipal Property Assessment Corp, MPAC, the annual reassessment in current provincial legislation provides that in 2005, valuations will be made on a three-year rolling average. This system, if implemented, will be very difficult for municipalities to administer. It is our submission that MPAC review the process of assessing properties every year.

As for the date of valuation, currently the date of valuation is June 30 of the assessed year. Since the roll must be finalized by December of the same year, this provides little time for review and to fix errors. If errors in assessment valuation are not identified and corrected before the roll is finalized and sent, municipalities must deal with these changes through the reconsideration and appeal process. A possible solution could have valuations performed as of January 1, thereby providing MPAC a full year to identify problems and errors and resolve them.

Process: Supplemental and omit billings are an opportunity for municipalities to add value to the roll in the year the property becomes occupied or improved. There is an ongoing concern with the timing of this work being completed by MPAC. The apportionment process is an opportunity for municipalities to ensure that land is properly separated among existing owners. Similarly, there are concerns with the timing of this process being completed.

Finally, on assessment, for all property classes there are concerns with the adequacy of the models used in valuations. Specifically, there is a lack of property inspections being performed that would identify changes to the property. In addition, it is believed that local factors are not always being used in the valuation of these properties. These examples impact on values and distort the modelling method used.

Like all communities in Ontario, infrastructure and transportation are essential yet difficult to maintain. Without a mechanism to raise revenues, municipalities are faced with aging and outdated sewer systems, roads and transit fleets.

In terms of water and waste water, as a result of the Walkerton inquiry, the province has passed the Safe Drinking Water Act and associated regulations, along with the Sustainable Water and Sewage Systems Act, 2002. The passage of these acts has resulted in significantly increased costs to the providers of these services; namely, the city of Niagara Falls and the regional municipality of Niagara. The Sustainable Water and Sewage Systems Act actually requires the providers of these services to assess the state of their infrastructure and ensure that the costs for operation and replacement of the system are fully recoverable from water and sewer rates.

In light of the legislation, the regional municipality of Niagara has put forward a report recommending that

water and sewer rates for 2004 be increased by 10% and 5% respectively. It is anticipated by the region that increases to these rates will continue for the next nine years. These rates are only for services provided by the region. The city must still factor in its needs and ensure that adequate resources are available to maintain our infrastructure. Financial assistance from the province is necessary to ensure that municipalities have the resources to implement and maintain these acts.

On public transit—in particular with regard to the Niagara Transit system—a number of issues are currently being faced by Niagara Transit and the city of Niagara Falls. I will address each in turn.

Provincial subsidy: Prior to 1996 the provincial government subsidized 25% of eligible expenditures and 75% of eligible capital purchases. In 2003, Niagara Transit received only a 33% subsidy for buses.

Fuel tax to support the public transportation system: Currently, Niagara Transit is under intense pressure to renew its fleet and expand its services. The promise of the province of Ontario to give municipalities two cents of the current gas tax dollar to be used in improving roads and providing public transportation is critical to ensuring the future of our service here in Niagara Falls.

Employment Standards Act: Niagara Transit requires an exemption from part VII of the Employment Standards Act. The two primary issues revolve around meal breaks after five hours of service and the requirement to have 11 hours off between shifts. Niagara Transit and their employees want to have the flexibility of paying for meal breaks and the option of reducing the length of time off between shifts.

Further regional transportation: Currently, the regional municipality of Niagara is examining the cost to complete a regional public transportation system. The anticipated cost of providing such a system could be as high as \$1 million per year. In examining a recent survey and the results in this matter, the need to implement a regional public transportation system was related to the need of local residents to get to government services that have been centralized in St Catharines. In this instance, cost-saving measures by the province have introduced a transportation need for the residents of the Niagara region. In order for Niagara Transit and the city of Niagara Falls to continue providing a meaningful public transportation system, financial assistance from the province is required. A provincial commitment to address the issues facing the providers of public transportation at the local level and the support for a regional transportation system is very critical.

The one area all citizens and politicians will agree is a priority is health care. As a result of past government practices, Ontario is still facing a crucial physician shortage. Municipalities have been forced to delve into the provincial responsibility of health care when our constituents turn to us because they don't have a family doctor. I'm hopeful that your government will take proactive steps to increase health care funding, eliminate the practice of financial incentives being undertaken by

some municipalities and eliminate the red tape facing foreign-trained physicians, which would help reduce doctor demand in our province.

As you know, under the municipal recruitment of physicians, municipalities are being forced to offer financial incentives to attract doctors to their communities. Although the Municipal Act allows municipalities to acquire real property for the purpose of leasing to doctors or dentists, what is actually occurring is that municipalities are offering signing bonuses for doctors to come to their community. The doctors, who have often amassed sizable school loans, are welcoming such initiatives, and who would blame them? However, the result is very dangerous.

Firstly, not all municipalities can compete dollar-for-dollar against Toronto or other affluent communities. Secondly, this is a form of bonus, and what has been witnessed with other bonusing schemes is that there is nothing to ensure these doctors will remain in the community. What could happen is that doctors will go from community to community, collecting bonuses but never staying too long. The end result does not solve the problem of doctor shortages. Although signing bonuses may help in the recruitment of doctors, in many cases it harms the relationship and retention of establishing practising physicians who are not offered such bonuses. Finally, signing bonuses create unhealthy competition between communities and ultimately harm those who have fewer resources.

There is a need for a comprehensive, coordinated and strategic approach to physician recruitment. A province-wide strategy must be brought forward so that every underserved community has for their residents access to a full range of medical services, including physicians. Also, the province needs to police the practice of financial incentives currently being undertaken by many municipalities. Further dialogue between the province and all municipalities must take place so that this matter will take priority in the upcoming year.

In conclusion, I'm sure there are many other issues we could discuss, but we do have limited time. Once again, I would like to thank the members of the standing committee on finance and economic affairs for visiting Niagara Falls. I would be pleased to answer any questions you might have.

The Chair: We have time left for just one question, and I'll continue the rotation if that should occur again. We'll start with the official opposition. You have about three minutes.

Mr O'Toole: I would first acknowledge your input and bring to your attention that the original edition of the Liberal platform did have a 3% levy in it—the destination marketing thing has been requested for some time.

You brought up a number of issues—the impact of assessment issues; huge problems. We're all experiencing this. It's not political, really; it's equalizing the assessment load. As you know, Mr Salci, you set the tax rate—municipally and regionally, so you have control at the end to find some mechanisms to take care of that.

Transit is a huge problem. Without being coordinated, in my view, each local municipality has to make better use of their capital.

0940

The doctor shortage dates back to 1993. It won't be solved until 2013. It takes about 10 years to train a physician.

As to eliminating the barriers to red tape, you should speak to the College of Physicians and Surgeons. They really are the ones who set the bar. In defence of the new government here, there's not a lot they'll do. The nurse practitioner will play an important role.

What would be the one single thing that this new government could do to help tourism in this province?

Mr Salci: I think the major thing is to allow the levy to take place. As you know, Toronto has proceeded on its own. We're looking very strongly at that same issue, but obviously the issue that Niagara faces is a phenomenal growth spurt. We are very fortunate in that the casino development is taking place, but additional revenue from the casino is something we're also seeking. Our local member has expressed his interest, and I think the Premier did express his interest, in supporting that as well to provide more revenue to the city from the province.

I would say to you, in respect of the tax base, that Niagara residents are really capped out at this point. I hear many comments that people just can't afford increases in taxes any more and that they're at their peak. Seniors in particular are just saying, "We're drowning in tax increases," and we can't have that.

A 10% increase in water this year and next, and that continues on and on—there's water all about us and we have to assess this value. Many people are paying \$70 and \$80 per month just for their water bill. So as far as additional taxation and adjusting the tax rate, of course we understand the impact it has on local residents, but more importantly, it's revenue dollars that we actually need to be raised.

The feeling is that Niagara Falls does generate between \$250 million and \$330 million in room revenues and room sales. If you look at that at 3%, it would provide anywhere from \$7 million to \$9 million that we could use in both advertising and infrastructure, actually, in respect to building a tourism facility.

The Chair: Thank you for your presentation, Mayor.

Mr Salci: Thank you again.

ST CATHARINES AND DISTRICT LABOUR COUNCIL

The Chair: I call upon the St Catharines and District Labour Council, if you would please identify yourself for the purposes of our Hansard recording. You have 20 minutes for your presentation, and you may leave some time for questions, if you wish. You may begin.

Mr John McCann: Good morning. My name is John McCann. I'm the recording secretary of the St Catharines and District Labour Council. I'm also the secretary-treasurer of Teamsters Local Union 879.

Ms Suzanne Hotte: I'm Sue Hotte. I'm president of the St Catharines and District Labour Council. We want to thank you for the opportunity to present our brief.

The St Catharines and District Labour Council represents 36 union locals and 15,000 unionized workers in the area north of the Niagara Escarpment, stretching from Niagara-on-the-Lake to Grimsby. We are involved with many of our communities' agencies and groups, such as the United Way of St Catharines, Community Care, the Niagara Sexual Assault Centre, Women's Place, Out of the Cold and the Niagara Health Coalition, to name a few.

Hopefully, these pre-budget consultation hearings will allow for full and open debate on the future of not only our public services but also our communities and the services they provide for their populations.

The Conservatives cut-slash-sell policies created a quagmire. They starved our public services, they financially crippled our urban centres by downloading and privatizing services, and they increased the number of marginalized people and the working poor. Reducing personal and corporate taxes financially starved the government. The result is that Ontario's deficit has once again reared its ugly head. The present debate cannot happen without looking at both revenue and expenditures. It cannot be restricted by the government's insistence that it will not raise taxes.

Public services in Ontario are in desperate need of rebuilding. The people in our region understand that more cuts are simply not an option. They voted in favour of change, and they are fully aware that in order to rebuild our public services, they may have to pay higher taxes.

Mr McCann: We're alternating here.

We believe that the people in St Catharines, Niagara-on-the-Lake, Thorold, Lincoln and Grimsby value public services and are prepared to pay for them. They voted for an end to cuts and for new investments of \$5.9 billion toward service renewal. If the government persists in its stated goals of eliminating the deficit next year and not raising taxes, it will not be able to keep its promises to renew services. Acting on its ideology, the previous government reduced our ability to pay for public services by nearly \$14 billion in annual revenue.

The question one must ask is, how much does the present government need to keep its promises and to balance its budget in its last year in office? The answer: 25% of \$14 billion, or \$3.5 billion. It can be done. The public would support it. Everyone is prepared to pay their fair share in order to have healthier public services and communities. We urge you to consider ideas for revenue recovery that would enable the government to deliver on its promises of renewed public services.

Ms Hotte: An alternative: The Ontario alternative budget, OAB, has put forward a plan to raise an additional \$3.5 billion a year by maximizing the revenue we get from our current tax system. This can be done by closing tax loopholes in corporate income tax and employer health tax. This alone would generate almost

\$2 billion. The OAB estimates that an increase of 2% in tax rates across the board would generate an additional \$1.25 billion in personal income tax and \$200 million in corporate taxes. Additional funds would be generated by tightening up tax enforcement and by better tax administration.

If we pay a modest amount and our fair share, we will improve our public services and our communities. We're here to talk to you about what that means for St Catharines and Thorold.

Mr McCann: Let's talk about health care. It's easy, when you're talking about the billions we spend on health care, to lose track of what it actually means to people. Here are a few examples of inadequate funding.

Between 1989 and 2001, we went from having 1,230 long-term-care beds down to 701. This loss of 529 beds has a great impact on us, because nearly 25% of our population is over 60 years old.

The number of hospital beds has been reduced, aggravating the situation, because we have always been below the provincial benchmark for the number of hospital beds.

We have no mental health care beds for children.

The Hotel Dieu addiction program treated 95,000 people in 1999. Funding has not kept up with the increase in caseload. The results are inadequate staffing levels and outreach.

Under Canada's medicare system, hospitals and hospital services are paid for from the public purse, regardless of their financing and ownership regimes. In our publicly funded health care system, the real question isn't who pays but rather how much. Publicly funded and administered health care is more cost-effective. P3s, or public-private partnership hospitals, cost more to build and administer. These private companies are in the business of making money for their shareholders. Services are contracted out, user fees appear and, in the case of the British P3s, buildings were allowed to deteriorate. There is little accountability. We cannot afford a private health care system in Grimsby.

The West Lincoln Memorial Hospital should be rebuilt with public monies. The town councils of West Lincoln, Lincoln and Grimsby and their communities support a publicly funded health care system. There should be no user fees and two-tier funding for substance abuse treatment.

Ms Hotte: Education: Inadequate funding in education has had a great impact on our children. The funding formula must also be amended to take into consideration the whole school, including students, teachers, administrators, secretaries, custodians and all those who support students in the school system. It is important that we implement the recommendation of the Rozanski report on education funding in order to address problems created by education funding formulas. Some of these problems include:

The District School Board of Niagara funding shortfall was \$28.2 million in 2003. The Niagara Catholic District School Board experienced a funding shortfall of \$14.2

million. That's \$333.24 per public school student and \$260.46 per student in the separate school system. This money would go a long way to buy the necessary textbooks and supplies.

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Both boards had to make cuts to their special education programs. There are fewer educational assistants and resource workers to help the increased number of special-needs students. In order to have a balanced budget, the boards have had to reduce the hours of work of educational assistants.

There are fewer librarians and guidance counsellors in the secondary schools.

There has been a reduction in the number of school support staff. Schools are closed; students and teaching staff are transferred. Unfortunately, the numbers of secretaries and custodians at the new school are not increased. In one example, we have a secretary to deal with the needs of 500 students, their parents and the staff.

Mr McCann: In 1995, we had a thriving program that was building thousands of new, affordable housing units every year. Since then, there literally has not been a single affordable housing unit built in the entire province. In March 2003, Niagara Regional Housing had 4,240 applications for social housing. We are facing a serious housing crisis.

In 1995, the province cut social assistance benefits by 22%. There has not been a single increase since then. The benefits have not kept up with inflation, and so people now have less income. Ontario disability support was also reduced. Their rental allowance of \$325 does not come close to covering the cost of \$500 or more for one-bedroom apartments in St Catharines. Furthermore, the renter usually has to pay for hydro. These people face poor food security and eviction on a daily basis.

Cuts to social services have had a dramatic effect on our communities.

In 2002-03, there was a 10% increase in the number of families and a 4% increase in the number of working registered with community care in St Catharines. In January 2004, they have seen a 17% increase over the same period of time as last year.

The Out of the Cold program began in St Catharines in 1997. That year, it sheltered 1,500 and fed 4,500 people. In 2002-03, it sheltered 5,500 people and fed 22,000. The numbers have increased between 15% and 20% so far this year. The 600 volunteers who help out each week see first-hand the impact of the social services cuts.

In 1995, Women's Place in St Catharines lost 10% of its operating funding; 1996 saw another cut of 5%. Their funding does not reflect the impact of inflation since 1995. This year, Women's Place must raise \$198,000 in order to cover its operating expenses. Precious staff resources must be diverted from programs to help abused women to fundraising.

The previous government refused to respond to pressure for better public services. Instead, it dumped responsibility down upon local governments. The result is that local public services are suffering everywhere in

Ontario. There is more to do and less money to do it with, and everyone sees that every day, because local public services are the most immediate and most visible public services we have. There must be reinvestment in our cities and towns.

Ms Hotte: The role of government needs to change. People in Niagara voted for change. They do not want privatization, deregulation and cuts to our social and public services. They voted for protecting the most vulnerable members of our society, for safe water and food, for quality health care and education.

It is our view that the people of Ontario don't want to sell off public services to enrich private interests. We do not agree with selling Hydro, selling the LCBO, delisting services such as hearing aids, destroying the universality of seniors' benefits, selling TVO and the list goes on.

Mr McCann: In conclusion, the damages caused by Ontario's Conservative government since 1995 have crippled our public and social services. We feel strongly that the current government has the ability and the vision not only to renew but also to invest in our public and social services.

We know that the province's weak fiscal position is the result of eight years of ill-advised tax cuts that we could not afford. We know that the government cannot deliver on the public services renewal we so badly need without increasing revenue. Indeed, Ontario faces a revenue problem, not a spending problem.

The stakes could not be higher. Raising taxes is the only way of making public services renewal possible. Not raising them and having a balanced budget will mean that the government would have to cut at least \$2 billion in expenditures, cuts that our public and social services can ill afford.

It is time to start hoping again. It is time to reinvest in Ontario.

Again, thank you for the opportunity to participate.

The Chair: Thank you. We have two minutes per caucus, and we'll begin with the NDP.

Mr Prue: I think that what you're saying comes as no surprise to many of us. You are advocating that taxes be raised and that social programs not be cut—that's it pretty much in a nutshell—and in fact that they should be enhanced.

We often hear that people are tired of tax increases or that they've hit the wall. The mayor just before you said that people in Niagara Falls, many of them seniors, have hit the wall in terms of municipal taxes. My question to you: Is it your view that people have hit the wall in terms of provincial or income taxes?

Ms Hotte: I think if we look at the provincial tax rates, both for individuals and corporations, and compare them with the tax rates of all the other provinces, what we find is that we have in some cases the lowest. We are not even close to being in the top three. There is certainly room for a tax increase of 1% or 2%.

When everyone received their cheque a few years ago and you looked at that amount of money—

Mr Prue: You're talking about the \$200 blood money cheque.

Ms Hotte: That's right. That \$200, the government should have kept it. They should have put it right back into social services. That \$200, compounded by the whole population of Ontario, makes an incredible sum of money. It should have been reinvested in our social services so that we wouldn't have 20,000 people going to soup kitchens here in St Catharines. And we're only talking about St Catharines; we haven't touched upon Niagara Falls, Port Colborne etc. That money should be helping our communities.

Mr Mike Colle (Eglinton-Lawrence): I first of all want to commend the district labour council for its work in helping those who are in dire need. You work with the Out of the Cold program; it goes above and beyond just meeting the immediate needs of your members. I think that's the kind of citizenship that we as a government really want to encourage. We in no way underestimate the value of that to the economy, the impact on people's lives. So I hope that you continue that. It is, I'm sure by all sides of the House, deeply appreciated that groups like yours do that kind of work without any compensation, and I hope you continue that.

I again want to ask you to work with us in giving us ideas, giving us any suggestions that you might get from your work with community organizations or from your own members on how we as a government can meet our goals of fixing our public services; we know they have to be fixed. We'd like to get some input from you on how to get over this financial hump that we're facing. We're not underestimating how difficult it is, especially that the demand is so great because in the last eight years we've seen a devastation of them. So anything you can do to forward those suggestions, recommendations and approaches to your MPP—Mr Craitor is here—or to the Minister of Finance, please do that. We're willing to look at and listen to anything you may have from an individual member or one of your organizations that is part of the umbrella group. We need that kind of help, and that's why we're doing these hearings.

Mr McCann: I think that's what our presentation today was. We definitely are offering our services—and no pun intended with regard to services. With regard to financing that, as we have said, the average union member appreciates that in negotiations with any company there's always give-and-take. We realize now that it's going to be a matter where, rather than tax cuts, we might have to ante up a little bit. We're not looking at huge increases to our taxes, but we realize we have to belly up to the bar, so to speak. Again, like I said, the average unionized member realizes that, but they also realize that in order to increase the services that are needed in the community today, this has to be done. What we're trying to portray today is that we will help out the government as much as possible, but it has to be done in the proper fashion.

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Mr Toby Barrett (Haldimand-Norfolk-Brant): Thank you to the labour council. You have indicated that in 1995 the province cut social assistance benefits and

there has not been an increase. You made reference to inflation. Perhaps following on Mr Colle's offer to receive advice and input from the labour council, how much should the Liberal government increase welfare in the coming budget or subsequent budgets? What kind of an increase do you wish to see this government implement in welfare benefits?

Ms Hotte: I'm not sure—are you looking for a percentage?

Mr Barrett: You gave us a percentage of 22%, the 1995 reduction. What would you like to see as the increase in the coming budget?

Ms Hotte: I would like to see an increase so that they are able to meet their basic food and shelter securities. Right now they can't do that. So if it means that it should be increased by 22%, then that's what should happen.

Mr Barrett: Second, briefly, what increase do you feel this government should implement to the Ontario disability support program?

Ms Hotte: They should definitely increase the supplements for the Ontario disability group. I had an opportunity to talk with Susan Vendetti in St Catharines, who works with this particular group. They are really at their wits' end as to what they would be able to do to help support them any further. The funding is just not there. For all the groups, all the agencies dealing with disabilities and mental health issues, they are all competing for the same dollars in order to promote and fund their existing programs. It takes human resources away from dealing with the problems and implementing the programs, having them working on fundraising. Definitely the disability program should be increased, and you're probably looking at 15%, 20%.

The Chair: Thank you for your presentation this morning.

NIAGARA PENINSULA CHILDREN'S CENTRE

The Chair: Next, I call upon the Niagara Peninsula Children's Centre. You have 20 minutes for your presentation. You may leave time for questions within that 20 minutes if you desire. Would you state your names for our Hansard recording.

Mr Terry Wilkes: First, I'd like to thank you for the opportunity to present to the legislative committee on finance and economic affairs. My name is Terry Wilkes, and I am chair of the board of directors for the Niagara Peninsula Children's Centre.

Mr Tim Wright: I'm Tim Wright. I'm the executive director of the children's centre.

Mr Wilkes: The Niagara Peninsula Children's Centre is a children's treatment centre serving special-needs children throughout Niagara. The NPCC is one of 19 such centres in Ontario. The children we serve have conditions such as cerebral palsy, acquired brain injury, muscular dystrophy, spina bifida, autism, Down's syndrome and developmental delay. Over 50% of our children have three or more serious health or develop-

mental problems, over 70% with developmental delays need help learning to talk and use their hands, and more than 50% need physiotherapy. Service is provided to children from birth to age 21.

Children's treatment centres, known as CTCs, are community-based service providers. Our services help children with multiple disabilities learn crucial life skills that we often take for granted, such as being able to move independently across a room or down the stairs, tying their shoes, telling someone what they want or need, how to make friends and, quite simply, how to play.

The services we offer are physical and occupational therapy, speech and language therapy, paediatric medical, social work, family counselling and support, psychology, recreational services and service coordination for children with multiple disabilities. Support from parents and families is an essential part of care for these children, is critical to the success of their treatment and is an integral component of all our programs.

There are 2,500 children on our caseload at the Niagara Peninsula Children's Centre. There are 40,000 children receiving services from CTCs across Ontario. Although all of these children have special needs and challenges, they are very typical children. They respond to education, attention and love. They have aspirations, dreams and emotions. They have potential—very unique potential in some cases, but nonetheless potential—to develop skills and capabilities. The mission and vision of our centre is to allow these special-needs children to be the best that they can be to reach their potential. Support for these children is an investment toward productive and contributing citizens.

However, I am sure this is not new to all of you. I am sure that many of you, through your work in your communities, have met and been inspired by these children and their families. Jim Bradley has been a friend and supporter of our centre for many years and is familiar with many of our children and their families.

Recently, we had the opportunity to meet with Kim Craiton and make him aware of the problems that we face in providing the services for these children. But in the past, knowledge and support of special-needs children has not translated into tangible support. Reduction of services and increased waiting times for service is currently the norm for all children's treatment centres.

Since 1990 there has been only one instance where the base budgets for children's treatment centres have been altered. From 1990 to 2000, centres received no increases in their base funding; that is to say, no recognition of the effects of inflation, increasing caseloads and new methods of treatment. In 2000-01, \$24 million was provided for all CTCs to help alleviate the pressures that built up over a decade. Although not all unmet needs were met and not all pressures were relieved, the infusion of funds at that time was greatly welcomed.

However, for the past three years we have been back into the annual process of facing inflation and rising caseloads while receiving no additional funding. The results have been predictable: less service to a growing and vulnerable population.

In the last year alone, the negative effects are dramatic. At the Niagara Peninsula Children's Centre, in an effort to balance our budget, we have delayed or frozen the hiring of new staff. The result has been a 48% increase in our waiting list, from 276 to 408 children, with the average waiting time now being five and a half months and the maximum waiting time being one year. In this budget year, across Ontario, centres have had to dismiss 37 staff and leave 71 positions unfilled, leading to the same dramatic increases in waiting times and waiting lists, just as in Niagara.

A quarter of a year delay in a child's development can be critical to the acquisition of skills and competencies; a year can be tantamount to a permanent handicap for the child. A child not gaining these skills and adaptations can be handicapped not only through school but for his entire lifetime.

Another looming crisis in CTCs is staff recruitment and staff retention. Most children's treatment centres, in an attempt to preserve positions, have wage scales that are significantly lower than other health service agencies, such as hospitals. In Niagara, this discrepancy has now grown to between 20% and 25%, depending on profession and seniority, which translates into a yearly wage difference of between \$10,000 and \$15,000. It is becoming more and more difficult to attract staff to our organizations because of this discrepancy. This in turn will result in added service reductions as positions are left unfilled.

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It is clear that children's treatment centres are in financial crisis and need help. Because of the many years of zero increases in support while demand has continued to grow, the financial need of CTCs is substantial. In the case of Niagara, these unmet needs total over \$1 million. On a provincial level, an inventory of needs conducted in 2003 across centres set the total financial need at \$32.5 million. These needs are comprised of \$6.2 million to restore services lost since March 31, 2003, because of salary and operational cost increases in 2003; \$10.5 million to enhance staffing to reduce waiting times that were present prior to 2003 to 60 to 90 days; \$4 million to increase the frequency and intensity of service to levels matching existing standards; and \$11.8 million to help fill crucial service gaps in communities where children and families are forced to go elsewhere, or to go without support services they need.

However, the Niagara Peninsula Children's Centre and CTCs across Ontario recognize the fiscal realities facing the province. We also recognize that the new Minister of Children's Services needs time to organize, investigate and set priorities. We recognize that this kind of funding may be a long-term goal. Nonetheless, the crisis facing children's centres is real and urgent.

As a result, CTCs are asking for some additional funding to tide us over, so that additional children will not have to be denied service or have their period of waiting extended even further. CTCs need immediate short-term relief of between 2% and 3% on a province-wide

allocation of approximately \$80 million to keep services at the 2003 levels. In fact, all that we are requesting in the short term is the same consideration that has been in place for years for other transfer agencies such as hospitals, nursing homes and other community services. What we are asking for is a small investment in the future of thousands of determined kids and their families, which in turn will be an investment in our province's future as these special-needs children strive for the potential that is in them. In addition, we are asking for a commitment to ongoing, collaborative discussion and study in order to establish stable long-term funding.

We have prepared for each of you a package that we hope will give you background data. It covers basically what I have said, plus providing other information that pertains to the Niagara Peninsula Children's Centre. We thank you for this opportunity to make this important presentation, and we'd be pleased to answer any questions you may have.

The Chair: Thank you. We have two minutes per caucus, and we'll start with the government and Mr Craitor.

Mr Kim Craitor (Niagara Falls): Craitor.

The Chair: Craitor. Sorry.

Mr Craitor: I'm on your side.

First of all, it's nice to see you again. I was going to share with you that—when did we speak? It was two or three weeks ago.

Mr Wilkes: Yes.

Mr Craitor: I've probably had—I'm going to guess—20 or 25 other organizations who have come in, and except for changing the names of them, all the factual information about the dilemmas and the financial pressures and the cuts and the lack of funding over the last nine years is the same. They're all facing such a terrible situation in trying to serve the people that they need to serve.

I do have a couple of questions. I did send the letter off to the minister, and I think you got a copy of that.

Mr Wilkes: Yes, we did. Thank you.

Mr Craitor: I'm glad that you took the time to come here to share with the rest of my colleagues around the table the difficulties you face. Just for the information of my colleagues, this is an organization that I'm quite familiar with. It really does, along with a lot of organizations in our community, provide a very valuable service.

If at the end of the day there was just one small thing that we could do to assist you—you've got a whole list of things, but if there was just one small thing that we could help you with in some financial way—what would that be?

Mr Wilkes: I think probably our greatest need and our greatest concern is the possibility, as I've stated, that we're already 20% to 25% below comparative salaries for other physiotherapists etc working in, for example, the school system locally or the hospital system locally. If we're going to retain staff—and I must tell you we have a very loyal staff. We're extremely fortunate to

have the dedication of the staff that we have, but it's only for so long that those people can be dedicated and not look elsewhere. If we lose staff, then of course the problem becomes recruitment, because we can't compete in the recruitment process. So I would say that our greatest need at the present time is to at least provide some form of funding for an increase in staff salaries. We want to recognize these employees. As I say, they're dedicated, they do a tremendous job for us, they like their work with children, which is a fortunate thing for us. But that only stands up so long in the face of their economic needs.

We indicated in here that we recognize the funding pressures of the province of Ontario, and we fully recognize that we can't achieve all of the objectives that we would like here. But we indicate that probably a 2% to 3% minimum type of increase would give us that little opportunity to provide the recognition that we should for our staff.

Mr Wright: We're pleased about the formation of the children's services ministry, because we believe that ministry focusing on children's needs will give a better focus for us in terms of listening to our needs. So as Mr Wilkes was saying, we believe that if we can get a small amount of money to tide us over while that ministry gets organized and starts to understand children's treatment centres and other children's services, then a larger picture can be formed. So we're quite pleased and quite looking forward to that ministry getting on its feet and being able to have a dialogue with us.

The Chair: We'll move to the official opposition.

Mr O'Toole: Thank you very much, Mr Wilkes, for your presentation and your comments. I just want to make it clear that I'm very familiar with the children's treatment centres. In my area, we have Grandview Children's Centre. It's an extremely important resource for the people that you've described, vulnerable children, no question about it. You wouldn't find any disagreement there at all.

There are always choices that governments make, and we did make the choices you've mentioned in your presentation in 2000-01 to increase the base funding. I know it was very much appreciated at the time. But in an on-going sense—I see your number here of \$80 million going forward—there's some kind of inflationary thing that needs to be built in there.

I agree with your comments in a very general sense. Having the children's ministry sort of thing, I think, is an important step, to just organize and consolidate all of the service providers, whether it's in school or out of school, and to iron out some of those service delivery problems, whether it's in-school treatment or out-of-school treatment. Some of the funding for the children's treatment centres is a little bit unusual too. It comes from two different ministries, in the case of Grandview certainly.

The other thing is the question of the distribution of children's treatment centres across the province. There are 19 of them. I'm always surprised that in some areas they just don't have it at all. I'm not sure what they do, really. I always feel quite badly.

You do this. How can we improve, how can the government improve—I'm starting to think like I'm in government. I wish I was. You've responded to the question from Mr Craiton but, for the province, what could they do to better coordinate children's services in a growing area where things like autism and that are obviously on the increase and we need to coordinate services better?

Mr Wilkes: I think, on the coordination of services, there is a provincial umbrella group that in fact tries to ensure the coordination of services by the children's centres throughout Ontario. There is presently a proposal to develop two new children's centres. One of the problems, of course, is being in the north, where it has been very difficult to provide services just because of the simple distances of everything. So we see those two new centres as being a tremendous improvement for the areas that they'll serve. Obviously, they're going to put additional funding pressures on also, just simply in developing those two centres.

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But as to coordination by the government, and I think Tim has spoken very well to that, we feel that this new children's ministry is in fact going to provide that service. We have been under the Ministry of Health and Long-Term Care, and it's really not appropriate for us. Although we do have long-term care—in other words, some children come in, and we've indicated that we serve children, right up to the age of 21—in the main, our immediate problem is catching these children early. As we've stated, if you don't provide this service to these children, not unlike any child in the education system, if we fail to educate children at the lower levels, they will not be successful at the upper levels; similarly with our children, if they don't get service quickly, many of them will be lost. These children, in many cases, are very vulnerable.

I think the government made a good recognition years ago in the recognition of speech therapy. Although we are the lead agency for that as the Niagara Peninsula Children's Centre, it actually operates under a separate budget. It was an excellent move. What they found, of course, was that if these children weren't given that speech therapy early, by the time they got into school they were lost. I think early intervention is really the best thing that could be done, and if the children's ministry could look at that and say, "We need to put that money up front in order to serve these children expediently."

The Chair: Thank you. We'll move to the NDP.

Mr Prue: There's no question that your group does great work. There's no question that 1,000, maybe 10,000, social agencies across this province do great work. The problem as I see it—your problem and all of their problems—is a lack of money. Is that pretty much it: a lack of money to pay for staff, a lack of money to recruit and keep staff, a lack of money for programs, a lack of money for children's services in general? Is that more or less—

Mr Wilkes: I think we've mentioned that, definitely, and that recruitment and retention are important for us.

Mr Prue: You mentioned a number of figures; I wrote down \$32.5 million, \$80 million. This government is going around the province and asking people a number of questions: what you need on the one side and what cuts might be made in order to provide for your agency, or whether you would consider a tax increase. I'm going to be very blunt with you. I don't think they can accommodate you in any way unless they increase taxes. Would you advocate a general increase in taxes for yourselves and for other social agencies?

Mr Wilkes: I suppose that's a difficult question for me to answer, to advocate an increase in taxes. As long as the tax money that's raised is being spent efficiently, that's the first issue. I believe government has the obligation to spend the money they raise efficiently. If it is the only solution in order to fund all of these social agencies and improve the welfare of the general population of the province of Ontario, both those advantaged and disadvantaged, then likely part of that issue might be a tax increase, yes.

Mr Prue: And you would support that?

Mr Wilkes: When I say I support it, if you're speaking to me as the chair of the Niagara Peninsula Children's Centre or as the poor taxpayer, I would say that if it is the only way the funding we require can be raised, then we would have to support that, because we see the problem that's occurring at the present time.

Mr Wright: I'm not sure we're ready to make a jump like that right now. The point was raised about different funding agencies within government. Community and social services as well as health and the regional municipality of Niagara fund some of the things we do. We believe there are some opportunities for better coordination, for additional discussion. That's one of the reasons why, as we've said, we believe the Ministry of Children's Services will be very helpful, so we believe there are some things that can be done by discussion. But as we say, our plea, our statement today, is to give us the inflationary money we need in order to hold firm in the short term so we can have those discussions, so there can be some creativity among agencies, among children's services. There may be opportunities there, and who knows? That may not solve all of the problems, and we may have to consider other solutions. Certainly I believe that's what we see as the initial steps.

The Chair: Thank you, gentlemen, for your presentation.

Mr Wilkes: Thank you very much for having us.

SHERKSTON SHORES

The Chair: I call on the Sherkston Shores trailer park. Good morning. Please state your name for Hansard.

Mr Gary Bruno: My name is Gary Bruno, and I'm here representing Sherkston Shores. I'd like to thank the committee for the opportunity to speak to you today. We're certainly part of Ontario's campground industry—in our case in particular, the largest privately owned campground. A group of similarly affected campgrounds

across Ontario, along with the Ontario Recreational Vehicle Dealers Association and the Canadian Recreational Vehicle Association, have a similar cause to speak to you through my voice this morning.

I join you today to discuss the impact of recent changes to the province's assessment of recreational vehicles in many campgrounds across Ontario and feel versed to do so from a few perspectives. For the past 10 years, I have been a municipal councillor. I was general manager of Sherkston Shores from 1990 through 1998 and have been a regional manager of many parks in the state of Florida, as well as consulting to the campground industry in the UK, the USA and Canada. I have over 32 years' experience in this industry, and I'm currently retained on Sherkston's behalf. I have co-authored this document with the assistance of Mr Roger Faulkner of General Coach, a member of the manufacturers' association. As well, we would like to especially thank the vehicle manufacturers' association, many Ontario private campgrounds and the dealers' association of Ontario.

We encourage you to listen to our presentation today. We've come to you not just on the basis of identifying a problem but we bring you a solution. We seek your assistance to encourage the ministries of finance, municipal affairs and tourism and their ministers and staff to meet with us jointly. We come to you today with solutions, not just the problem of the new inequity in our industry and the problems it is creating for an industry coming off one of the worst years in tourism history. We have some equitable alternatives for resolving this situation going forward.

My intent today is to give you a sense of Sherkston's already challenging situation as a major tourist draw catering largely to US visitors in south Niagara and, finally, to touch on the broader provincial solution we're developing.

This presentation has been brought together from the four corners of this province. Because we're so focused on a solution—no one likes to pay tax, and that's not our issue—if I do run a bit long on the first part, I will cut it short and allow you to take that. I do want to focus on the latter part of the presentation, which deals with our solution.

A recent overview: Sherkston, as I've mentioned, is a large trailer park in southern Ontario—the largest private campground in North America. It features 1,300 recreational vehicle sites and campsites, making it the largest. Sherkston typically draws, basically from within a two-hour radius, families who want to enjoy an affordable vacation. Sherkston has incredibly loyal visitors who develop a strong camaraderie with other guests. The Sherkston experience for campers isn't pretentious; it's basically an affordable family vacation like many other campgrounds in Ontario.

We provide jobs to approximately 30 full-time and 300 part-time employees. Approximately 12 of those full-time employees are on indefinite layoff as a result of last year's issues with SARS, the border, the war and others. But those 12 people are staying on layoff as a

result of the indeterminate future that assessment brings to our industry. Certainly, as a campground, like other campgrounds in Ontario and the manufacturers of these trailers, Sherkston commits to using local suppliers and contractors. In addition, thousands of short-term campers arrive and spend money in the peninsula.

From a tax revenue point of view locally, Sherkston pays \$380,000 worth of property taxes to the city of Port Colborne and the region of Niagara. This is in addition to millions of dollars in development, planning and capital expenditures. In addition, Sherkston collects and remits over \$900,000 in PST, \$700,000 of it from the sale of park model trailers now being assessed. The impact on those numbers will be dramatic. Currently for 2004, we have cancelled all orders for park model trailers in Ontario, affecting Ontario's two largest manufacturers. We do see a glut in trailers on the market, not only in our business but across the province, people getting out of a particular product and either re-entering in a smaller version product or leaving entirely, particularly our American visitors.

We've invested over \$40 million in 17 years at Sherkston. And now, from the standpoint of a foreign investor, certainly there are members of the board questioning their investment in Ontario and Canada.

1030

Besides catering to over 60% Ontario residents, 40% are from the US. The events I previously mentioned caused a \$600,000 drop in income last year. The assessment looks like it may actually do more than that, but the jury is out on that.

Unlike hotels, Sherkston's accommodations, ie, park model trailers, are not deemed real property and could not qualify for PST recovery as was given by the province last year as part of the SARS recovery strategy.

Until November, which I'll get to in a moment, Sherkston was hoping that for the most part they had turned the corner. While Sherkston's customers are highly price sensitive, and while the appreciating Canadian dollar creates a natural slowing of US visitors, they felt they were back on track for a recovery of their US business, given that geopolitical events weren't a factor.

The impact situation: The agency assessing trailers in Ontario and other campgrounds has limited the assessor's approach to assessing these trailers and taxing them. As you can imagine, if you could relate to this, in late November Sherkston opened their mail to receive a notice of assessed value of \$103 million, up from \$9 million the previous year, and shortly after, a \$1.7-million tax bill for the 2003 season, which had already passed and the campers and customers had gone home.

I could go on and on about the inequity of this tax and what it's doing to the industry, but in the interest of time I am going to go to our proposed solutions.

Assessment of the RV industry and camper consensus is on the front cover, and we will forward to you individually under separate cover a more detailed report on this. There are a number of acts that are in conflict now with the bringing forward of assessments. Basically

that picture shows all the trailers that are in parks in Ontario, and virtually only the one in the left corner is going to be taxed. So if you live in a trailer park—I'm not talking year-round but seasonally—and you wake up in the morning and have eight or nine neighbours in all those other vehicles, they aren't going to be taxed but you are.

This presentation represents major campgrounds in Ontario, comprising over 50% of the current billed assessments, the manufacturers' association and the dealers' association.

Again, there are some photographs of the various types of recreational vehicles. When we sell these trailers, they are not treated as real property; they're treated as personal property. They attract PST and GST but now will be singled out to also pay property taxes.

The assessment inequities are long, but here are a few. Some campground owners allow year-round occupancy in their campgrounds. We don't advocate that those who do should escape tax. We believe they should pay tax—property assessment—but apparently assessment is not based on use in this case, it's based on size. Mobile home owners have cried for years about inequity in the system. Assessments were introduced to combat this. Assessments have hit an anticipated target but only a small portion of the industry. We believe municipal bylaw enforcement can deal with people staying in RVs in parks year-round.

What we wanted to create and bring back to the government is a system that is fair to all, with no leakage, easy and cost-effective to administer; with a buy-in by consumers, campgrounds, manufacturers, dealers and government; and that deters legal challenges, generates revenue, attracts and creates order, provides penalties for non-compliance, eliminates the need to amend current acts, maintains sales tax revenue, addresses long-term occupancy and maintains jobs.

In my travels and working across the continent and in Europe, a solution is already out there that deals with this problem in many other jurisdictions, particularly in the US, and that is a tag or sticker fee. By implementing a sticker fee for seasonal recreational vehicles, the municipality, depending on how the province deems it wants to disperse the revenue, can still receive revenue. It's affordable and fair across the board. We believe it should be set on trailers that stay static for more than three months. It will ensure that all recreational vehicles contribute, rather than the 6% that will be caught up in this tax. Municipalities where one recreational vehicle park is situated will not matter, so there will not be a disparity in tax. There will be a uniform fee in all jurisdictions. Because recreational vehicles, whether they are towable or static, all have VINs, they are very easy to track.

Much like Florida, Texas, California and other US jurisdictions, the administration of a tag fee already has an infrastructure in place in Ontario, that being the licence bureau. The dealer or park owner initially administers the registration of the unit, and subsequent renewal would be through the mail, similar to your vehicle.

Again, because they all have VINs, they're easy to track and annually renewable.

What we seek as a group is consensus. We know that campers are consumers, and we are hearing that all they want is fairness and simplicity. Manufacturers who are now struggling to make their schedules for this year and contemplating a 20% layoff in their businesses in Ontario are looking for a level playing field and a calm and visionary future. Campground owners similarly want this issue resolved. Secondly, assessment carries significant cash flow and administrative costs, which will impact on their business.

In Sherkston's case and in all other cases in the campgrounds, the way MPAC and the government have deemed this is that we are responsible for paying the tax and it is our responsibility to try to collect it from the trailer owners. So if they leave or abandon the park, refuse to pay or go back to another country, the campground owner is stuck with that payment. Just like property tax, he has to front the tax in the interim and then try to collect it.

We believe there will be numerous legal challenges to this legislation on behalf of the campground owners, manufacturers, campers and dealers. We believe the current system could provide penalties for non-compliance. For example, local municipal bylaw enforcement officers can regulate current zoning and licensing bylaws. Campground owners who want year-round occupancy can zone certain areas for it and be treated properly, as your home and mine are. Parks would all be compelled to conform or face penalties already prescribed under existing legislation.

With a tag fee, we would no longer have to amend the current acts, which I will send you, which are at odds with each other with respect to this particular type of trailer. Assessment regulation remains enforceable for non-taxable regulations.

It generates revenue—and this is really the key to it. Our coalition leaves to the municipality and the government the disposition of the tag fee. We propose a revenue-neutral system of assessment, not cutting off the revenue stream the government envisioned. The difficulty with assessment is that, unlike your home and mine, for the most part these trailers depreciate, much like a car or boat. The mechanics and logistics of keeping track of that and the impact on assessment appeals will also impact on the rates that you and I pay as homeowners or businesses, because thousands of campers will be in the queue to have assessment appeals.

Attached is an example of the depreciation schedule on a trailer. I cannot envision people applying yearly to have that done through MPAC to lower their taxes. Just a brief bit of statistics: Of all the trailers listed there, comprising trailers in parks in Ontario, only 6% are going to be taxed.

Finally, the solution is, we believe there are 7,000 of our manufacturers' park models in Ontario. Using MPAC's average numbers will attract \$29,800 per average trailer. At the mill rate, it will generate an

average assessment of \$344. In the southern part of the province, and in Port Colborne in particular, we'll be paying \$634 per trailer. Estimated income from assessments across the province is only \$2.408 million. If you add rooms for \$1.495 million and divide that among the 126,340 seasonal sites in 1,259 trailer parks—this does not include public campgrounds—and we've done a calculation based on 70% occupancy, you'll see in the second-last slide that by promoting a sticker fee of \$40 on travel trailers and \$85 on the 7,000 park models, you would actually raise almost \$500,000 more and there would be equity across the line in parks.

1040

Just to the committee: the RV and camping industry contributes over \$650 million directly to the Ontario economy and in excess of 5,000 jobs. It's estimated that RVing and camping contributes in excess of \$500 million to local economies. Again, as major campgrounds in Ontario, the ORVDA and CRVA, we thank you for your attention this morning.

The Chair: Thank you for your presentation. We have time for just one question. This turn will go to the NDP.

Mr Prue: I think the troubling thing in the statement is on page 4: "In late November, Sherkston opened their mail to receive a notice of assessed value of \$103 million, up from \$9 million the previous year and shortly thereafter a \$1.7-million tax bill for the 2003 season." Had you in any way been notified by the government that this might be coming about? I have received a number of letters, not from Sherkston but from all over the province—this retroactive taxation. How could you possibly, as a business, do it? How could people who live in these homes, most of whom are poor or poorer, possibly pay?

Mr Bruno: It's a very good question. The answer that we've seen written back from various government departments is, "This was an ongoing matter since 1986. There was a moratorium. You as an industry should have known we were working toward a solution, particularly with the Beaubien commission." However, we did not know the results of Beaubien. We didn't know what the government would do or not do. We made representations to them. In November it was put in front of the minister—and a signature.

It's interesting to note your comment that of over 1,200 campgrounds in Ontario, only 380 were measure-assessed—that's actually assessors going and measuring the trailer; 80 were done windshield or estimates. There are still over 900 campgrounds that have not been assessed. The government, in its wisdom, deemed to drop 2001 and 2002 and invoice only those that were estimated and assessed for 2003 in November and December.

To be more direct to your question, some campgrounds were able to apply to sympathetic lower-tier and upper-tier councils; and under section 365 of the Municipal Act, being onerous, the tax was wiped out. For the majority of campgrounds in Ontario that were assessed, they did not have the time in the Christmas season to do that. They are still assessed and are deemed to have to

pay that bill, even though their customers have left. They're now facing the 2004 bill.

The last point I wanted to make on that is, even ourselves, being fortunate enough in Niagara to have it rescinded by regional and local council, still we bill our fees in September, so we're now having to go back. Our assessment is wrong, and in trying to get it right-sized, we can't tell our customers what it will be. That goes for the rest of Ontario. It will be a nightmare this year to assess 900-plus trailer parks and get a bill out to that campground owner, who ultimately is responsible.

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

HAMILTON-NIAGARA CHILDREN'S MENTAL HEALTH CENTRES

The Chair: I would call on the Hamilton-Niagara Children's Mental Health Centres.

Mr O'Toole: Mr Chair, I just wonder if I could ask for unanimous consent that we consider requesting the Minister of Finance to put a moratorium on these regulation changes that have affected retroactively. For many cases, people who are—

The Chair: Are you a placing a—

Mr O'Toole: Yes, I'd like to put a motion before the committee, if I could, that would say that we would request the Ministry of Finance and MPAC that these decisions on the regulation changes in November be put on hold until such time as our meeting with the Ministry of Finance. I think he's brought forward some extremely important opportunities here, and I mean this in good will. This is not an in-your-face attempt.

The Chair: Mr O'Toole, we do have people present who want to make their presentations today. Could we deal with this matter later today?

Mr O'Toole: OK.

The Chair: Thank you. I appreciate your thinking along that line.

As I stated, I have asked for the Hamilton-Niagara Children's Mental Health Centres. You have 20 minutes for your presentation. You might allow for some time for questions if you so desire. Would you state your name for Hansard.

Ms Linda Langston: I'm Linda Langston, and I'm the executive director of Niagara Child Development Centre in Niagara Centre for youth care. I'm also the chair for the Children's Mental Health Network in Niagara. I have regrets from my colleague Gary Stuart, who's not able to join me from Hamilton. I am also representing six of the children's mental health organizations from Hamilton, so I'll speak for all of us today.

We have provided a PowerPoint presentation, and I'm going to go through that by hand, as opposed to putting it on a screen.

We are community-based, transfer payment agencies using a multidisciplinary approach. We hire psychiatrists, psychologists, social workers, early child educators, child

and youth workers, and we provide an important tertiary care service and support for treating behavioural, emotional, psychiatric and psychological kinds of problems with children and youth. These youth are between birth and 18 years of age.

We very much support the education system and the child welfare system as part of the work that we do. We're part of 83 accredited agencies with Children's Mental Health Ontario, and under the accreditation we do have very high standards for administration and planning and service that guarantee a very high quality of service. We're primarily funded through the Ministry of Children's Services, and that is under the Child and Family Services Act.

The scope of the problem that we are dealing with is based upon a recent Ontario child health study, where it notes that 18% to 20% of the children in Ontario are in need of professional mental health services. This means that over 500,000 children need treatment. Unfortunately, there's less than 10% getting that service, and these are the most highly vulnerable children in our society, typically with behavioural and emotional issues, typically children who are receiving abuse. Often, it is secondary to family problems that are going on: learning difficulties, developmental challenges and many other very complex interrelated issues.

Currently in Ontario, we have about 8,000 children on the waiting list. This is stressing families to the point of breakdown. Many children are not able to attend school, and these children are certainly the most seriously vulnerable ones whom we are actually being able to see at all.

The outcome of the work that we do shows that over 62% to 76% of the children whom we actually treat do have a reduction in their mental health issues. That treatment is usually in an outpatient basis in clinic settings, in schools or in the child's home. What we are trying to do is keep children in their community, and sometimes it is necessary to have them in some kind of residential placement. But what we need you to understand is that the treatment we're providing does work and it has a great value for the dollars spent.

The mental health treatment that we're providing costs approximately \$2,500 to \$3,000 per child per year. That's compared to being in the youth justice system, which is over \$60,000 per year per individual. So our aim is to keep them in their homes and to be far more cost-effective, and certainly to avert the more intrusive situations that will come later in their lives.

We also point out to you that there is a huge lifetime cost to not investing in the children right now. The calculable items that have gone out set out at one point \$1.8 million per child, looking at items like the lost productivity in the economy, lost revenue in taxes and costs related to welfare and EI. These are folks who are going to end up as homeless people in your community if we're not able to treat these young folks now. That doesn't even take into account the health care costs and criminal costs.

1050

The economic impact for the work that we're doing is certainly based upon lessening the stress in other areas. So we come to you to speak to this today, because the work that we do with children helps children to stay in school. It helps the schools to receive more support so that those children are not having to be in special behaviour classes with extra one-to-one staff. It also helps the child welfare system because those families are not breaking up and giving up their children. I can tell you that I've had three calls in the past week about parents who are ready to just abandon their children because they simply can't handle the mental health issues.

So we want to let you know that the kind of work we're doing is contributing to children being leaders and part of the workforce in the future, and we think it's very important to bring this issue to you.

We want you to know what's holding us back, and that is not dissimilar to the information you've heard from the Niagara Peninsula Children's Centre. Our funding has not increased in over 10 years. We have had basically a 35% reduction in our budgets in the last 10 years. That has been experienced with everything from the social contract to expenditure control plans and an actual reduction in our budgets of 5% under the Harris government, pay equity, inflation. As you know, we still have rising costs for insurance, hydro and all of the others that everybody is experiencing.

We have been able to look at our salaries across the province and know that we are \$10,000 to \$15,000 behind the educators and the health systems. I would just point out again that our money does not come from the Ministry of Health; our money comes from the Ministry of Children's Services, and there have been no increases. So we in particular are having a great deal of difficulty with retention of staff, although we too have very dedicated staff, but also in terms of getting the kinds of qualified staff we need for what we can provide.

We have found every efficiency we can. I want you to know that in fact our two agencies are amalgamating in the next two months because we had to find ways to cut back. So we have gone to one executive director; we've let four other positions go over the last few years. We have found every single saving we can, getting down to one audit, one board to support, lessening our facilities and our impact in the community, trying to find ways to find every little bit of saving we can.

We see there's an opportunity for change, and we want to be a part of that change with the government. We had a pre-election promise from Premier McGuinty of \$50 million just as an initial revitalization of our children's mental health network. We still see that as a very crucial piece for us.

We also need to restructure the funds within our children's sector. I'd particularly point out that with the change in the youth justice legislation, many of the youth justice facilities are next to empty and many of them are not providing the types of services they had to provide before. In fact, that work is coming our way to try to deal

with children and youth who are in alternative measures. We do need some restructuring in our children's sector around areas like that.

We also need flexibility in our budgets. We're not able to move money around within our budgets. We're expected to have the same service levels that we've had over the last 10 years. Quite frankly, it's not possible and we're at breaking points. Many of the partner agencies I am representing today are actually at the point of going into major deficits and attempting to figure out how they are going to survive. We are trying to earn our own money through social entrepreneurship, through fundraising, in any way that we can to be able to keep providing these services to the children, but we do need some flexibility to adjust our service targets.

We do want to work together with the government. We think that we can provide direct advice and participate in writing the children's policy on mental health. We are committed to working with the government to build an integrated children's system.

Over the last two weeks I have met with the previous partners, NPCC, to see how we could share technology services. Yesterday I met with the child welfare folks to see how we could share a psychologist. In this particular community of Niagara, we work with 30 of us at one table, trying to find out how we can find all of the savings and working together so that we're not putting our resources out in similar fashion to all of these children. We are working together, and we're committed to continue that. However, we do need to tell you that we need a revitalization of some type.

I'm aware that, with the major deficit, everybody is asking for some funds. We have 500,000 children who need our mental health services in Ontario. Your support is needed now, or we are going to hit a very big social deficit. The point is, that without the investment now, the costs later are going to be much greater.

That is what I have to say to you today. I've tried to be very succinct and to leave you a more detailed presentation that you can read at your leisure. I am representing Lynwood Hall Child and Family Centre; Chedoke Child and Family Centre; Woodview Children's Centre; Charlton Hall Child and Family Centre; Child and Adolescent Services for the city of Hamilton; the Community Adolescent Network; and my two agencies here in Niagara, Niagara Centre for Youth Care and Niagara Child Development Centre, who will be one by April 1. That's my presentation.

The Chair: Thank you. We have about three minutes for each caucus and we'll begin with the government.

Ms Judy Marsales (Hamilton West): First and foremost, I want to compliment all of the caregivers and the organizations that you represent today. I have met with Woodview and I understand the great demands on all of you, as was demonstrated by a mom who came in and said that if she had a child who was unfortunately suffering from an illness we could all understand, such as cancer, the community would be rushing to her assistance. In this instance, with mental health, very often it's

misunderstood as poor parenting. The caregivers have a lot of stress with the demands placed and, as you can see, the escalation in the actual numbers of children who are in need. If there was one area where we could be of most help to you and your association, which would it be? Clearly, there are needs right across the province. Could you identify one singular opportunity in which we could be of assistance?

Ms Langston: I think restructuring the dollars within the system is one of our biggest issues. Certainly redirecting the money from youth justice, restructuring some of the facilities like the Child and Parent Resource Institute that is in London—but unfortunately our parents simply can't get the service from there. There are investments already in the system that can be redirected. At the same time, that infusion of new dollars in terms of at least \$50 million is an absolute crucial piece for us not closing.

I would very much applaud you for your statement about the fact that children with mental health issues are not easily understood. You need to know that at 14 months of age now, we can begin to identify the diagnosis of bipolar. That is an incredibly young age. Through our work in early childhood, we are trying to work with early education in order that children's brains can be rebuilt at a very early stage so that those longer term issues won't occur. But without that infusion of dollars, we're not able to get to all of the children early enough, and that is our biggest problem at the moment.

The Chair: We'll move to the official opposition.

Mr O'Toole: Again, thank you very much for your presentation and for the work you do—many of your board members, of course, being volunteers. It is important that we recognize the vulnerability of children, both in the case of the children's treatment centres and the case that you bring forward here.

As you said, it's a matter, often, of government's disconnect between the service provision in the community base and how that gets sort of animated from the ministry or ministries. Hopefully, the attempt to have a consolidated children's ministry would be an important place to start coordinating services.

I also commend you for bringing forward what may seem to be hard-headed, but I believe necessary: to strip out all administrative costs and duplication, where necessary. That's not to be critical of that need, but the need, really, the actual delivery of service and the interaction between the front line and the client, is really what it's about.

My sister is a speech and language pathologist, very much involved in similar things. There are many overlaps between children's mental health as well as developmental problems, and they get confused and treated wrong. But I believe in individualized funding, to an extent. I know it's a war, then: Who gets what service, who provides it, who is certified, who is validated as a service provider, and all these kinds of clinical, professional silos. There are some real structural things that need to occur. I commend you for looking at the number

of administrative officers you have. I look at the five centres you're representing. The regional coordination is absolutely critical. I don't want any more executive suites with computers and stuff; I want the client getting the service. I don't blame you; I'm commending you. But there's more to be done.

1100

What recommendation, in terms of any additional funding, could you make that would go directly to service provision—not for another coordinator; no, not that, because there's staff over staff over staff. They're frustrated because they're underpaid, they're overworked. How could you help this committee make sure that the money got directly to the client for the provision of service and some caregiver making some determination that, "No, I think they need more of this than that," and the PhD person overrides, "No, we're going down the Fraser Mustard route here; we're going through the nine-point panel check"?

The Chair: Please allow for an answer, Mr O'Toole.

Mr O'Toole: It's helpful—

Ms Langston: I do have an answer for you and I'll be succinct. I did work within the Ontario government for 22 years myself, so I have some good idea of what the system is. In the Niagara-Hamilton-Haldimand-Norfolk-Brant area, over the last few years the Ontario government has developed a contact system as a one-point system. It unfortunately has taken a couple of million dollars out of direct services to clients. We believe we can do that service ourselves in terms of the intake. You already have Telehealth Ontario as a place that someone can call and be directed.

I recognize I am stepping out on a limb here, because I receive funding from these groups in terms of the regional office of the ministry, and at the same time I am very concerned about the type of bureaucracy that we have allowed to develop, when in fact we have to redo a lot of the work to determine whether those children fit in our service, and how and where. There is too much duplication. We as an organization—and my coming here on behalf of eight agencies shows you that we are talking weekly, monthly on a regular basis and we are preparing a proposal right now for the minister, at her request, to actually document some of this area. Across the province, it's done differently. In this particular area there are savings to be had. There is no need to run four more boards on top of all of our boards—four more executive directors, four more administrations. I have a real problem with the way it has been organized.

Mr Prue: I just want to be sure: You have talked of two ways of getting money. One was restructuring and redirection and the second one was an infusion of new dollars. I got that.

In terms of the restructuring and redirection, you gave two examples. One was an organization in London, which your members cannot access, and the other was from some youth offenders programs. Are those groups in agreement with what you're suggesting? I can imagine going out and asking them, and they will not want their

dollars redirected to you. Would that be a pretty safe thing to say?

Ms Langston: In talking to the children's resource centre in London, they acknowledge that they cannot do all things for all people. They are part of the Ontario government. They have been set up through the ministry to be an Ontario government agency. They are not a non-profit agency.

What we think needs to happen in that case is that the resources need to be split through a number of communities in order that we have intensive services for children here. We have about 17% of their catchment area; we had 0.6% of their service over the last three years. We know that our children cannot travel there on the basis of the type of service they're providing, yet we desperately need it. I think the government can choose to dismantle the type of set-up that is there now and place it in different areas so that Hamilton and Niagara could benefit from that.

In terms of the youth justice system, there are also buildings and staff that are working primarily through the government, a system that has been set up and yet changed now as the justice legislation has been changed. The difficulty was that there was no anticipation of closure of buildings and redirection of those resources prior to the legislation coming in. We have a lag time and that has to happen. Whether they would be comfortable or not, I could re-employ a lot of their employees in community work, in working with those children as the youth justice system is set out now. That needs to happen.

I was in the Ontario government when we went through the downsizing, and I was working in Ontario Realty Corp when we shut down leases and buildings. In one fell swoop one lease would be \$10 million. That's the type of issue we're facing in the youth justice system, from our viewpoint, now. In a facility here in the Niagara Peninsula which should hold 34 children, there are nine. You can't keep running that facility at that level when those children are at my doorstep needing service through their parents by court order.

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

NIAGARA FALLS AND AREA DISTRICT LABOUR COUNCIL

The Chair: I now call on the Niagara Falls and Area District Labour Council. Good morning. You have 20 minutes for your presentation. You may allow some time for questions, if you care to. Would you identify yourself for Hansard.

Mr Claude Sonier: My name is Claude Sonier. I represent the Niagara Falls and Area District Labour Council, and I would like to thank you for allowing us to make this submission this morning.

The Niagara Falls and Area District Labour Council represents 2,800 workers from 23 affiliated unions in Niagara Falls and the surrounding communities of Fort Erie. We also provide services for many more workers

who do not have the benefit of representation and work closely with area organizations that promote social justice.

We are here today to participate in what we hope will be a truly open and full debate about the future of public services in Ontario. To date, this debate has been restricted by the government's insistence that it will not raise taxes.

Public services in Ontario are in desperate need of rebuilding. The people of Ontario understand that more cuts should not be tolerated and also that they may have to pay higher taxes that will support public services.

We are not prepared to base our submissions today on the assumption that Ontarians are not prepared to pay for better public services, and we are not prepared to base our submission on the assumption that every dollar more that we succeed in getting for public services in Niagara Falls means a dollar less in other communities.

Revenue generation, deficit and taxes: We believe that the people of this province value public services and are prepared to pay for them. That was the change they chose last October. The people of Ontario voted for an end to tax cuts and for new investments of \$5.9 billion toward services renewal.

If the government persists in its stated goals of eliminating the deficit next year and not raising taxes, it will not be able to deliver on its promises to renew services. It simply does not add up. The previous government reduced our ability to pay for public services by nearly \$14 billion in annual revenue. Recovering as little as 25% of that amount would enable this government to deliver the services promised and balance the budget in the last year of its term. It can be done. The public would support it, and it would put this province on the road toward a more healthy system of public services.

We urge you to consider ideas for revenue recovery that would enable this government to deliver on its promises to renew public services. We are not going to pretend that this will be easy, and you are not going to hear from us that we can rebuild public services by getting someone else to pay. Everyone in this province benefits from high-quality public services, and we believe everyone in this province is prepared to pay their fair share.

The Ontario alternative budget has put forward a plan to raise an additional \$3.5 billion a year: maximizing the revenue we get from our current tax system by closing tax loopholes and tightening tax enforcement, and recovering a portion of the revenue forgone in the past eight years of the Harris-Eves government income tax cuts. The OAB estimates that an increase of only 2% in tax rates across the board would generate an additional \$1.25 billion in personal income taxes and \$200 million in corporate taxes. This would recover approximately 10% of the revenue forgone through tax cuts. Closing loopholes in the corporate income tax and the employer health tax would generate almost \$2 billion more.

Following up on studies by the Provincial Auditor on tax administration, the OAB estimates that revenue from

all taxes could be increased by at least 1% through better administration. If everybody pays a modest amount, if everybody pays their fair share, we can be on the road to recovery.

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The whole point of what we have to say today is to get away from the idea promoted by the previous government that taxes are a burden that is imposed on us for no reason. We pay taxes to buy public services. To put it in the more eloquent words of American Justice Oliver Wendell Holmes, "We pay taxes to buy civilization."

The case for increasing Ontario's revenue must be rooted in the need to renew our public services. We are here to talk to you about what that means in Niagara Falls.

In terms of health care it's easy, when you are talking about the billions we spend on health care, to lose track of what it actually means to people. Residents of Fort Erie, for example, who were afforded health care in their own community must now travel to Niagara Falls for basic treatments. Cutbacks have created excessive demands on existing doctors and nurses, and the quality has suffered as more and more patients raise their concerns.

Patients are being sent home early from hospitals to accommodate the sicker, resulting in an increase in home care services for private business. New private long-term facilities continue to look at cost reductions, leaving patients living below acceptable standards. Private care is not working to the benefit of our sick and elderly, and it's time to recognize this fact.

With doctor shortages well documented in Niagara, a process of sharing has resulted between our area hospitals for specialized skills. Family doctors are not taking new patients, leaving many with walk-in clinics as their only alternative for health care.

Under Canada's medicare system, hospitals and their services are paid for from the public purse regardless of their financing and ownership regimes. In our publicly funded system, the real question isn't who pays but rather how much, and there is simply no justification for paying the additional costs associated with the so-called public-private partnership, or P3, model. It has been estimated that such private models can be expected to cost at least 10% more than their public sector equivalents. So in addition to the evidence from other such experiments that suggest that P3 hospitals would include a deterioration of hospital services and diminished accountability, Ontario simply cannot afford a private health care system.

Education: People talk in the abstract about the billions involved province-wide in implementing the recommendations of the Rozanski report on education funding. This is what it means in this community. According to the widely accepted analysis of education funding in Ontario conducted by the Canadian Centre for Policy Alternatives, here is what it means to this community. An example is that the District School Board of Niagara in 2003-04 was \$28.2 million short in funding compared with what was recommended in the Rozanski report. The Niagara Catholic District School Board was \$14.2 million short.

Our class sizes continue to grow with the influx from recent closures. Service inside our schools deteriorates as cost becomes the only factor. Parents are now pressured to relocate their children, as they feel their children are not receiving the quality of education they expect.

So far this year, I have not only sold but purchased chocolate bars, garbage bags, candles and, most recently, Christmas flowers. Not only do we purchase these items to offset shortfalls in supplies such as books; we must also pay for the privilege of allowing our children to participate in recreational activities. We must encourage their growth, not hinder the process by applying levies.

We all know that a few years ago when children were selling their goods it was for a specific purpose of maybe a school trip at the end of the year. Now we're finding that it's to supply books, paper and school supplies—totally unfair.

Social services: In 1995, we had a thriving program that was building thousands of new, affordable housing units every year. Since then, there literally has not been a single affordable housing unit built in the entire province. In 1995, the province cut social assistance benefits by 22% and froze them. Think about that. How would you be able to survive if someone cut your income by 22% and then froze it for eight years? We have fewer child care spaces in Ontario today than we had in 1995. What that means in Niagara Falls is that our food bank is busier than ever. We have homeless people living in abandoned factories, such as Kimberly-Clark, and other places within our community that have turned into shelters for the homeless.

Working people are struggling to cope with the stress of trying to survive with multiple jobs and little or no support in the form of child care. Children are either at home without parents or on the streets. Organizations such as Lighthouse Niagara have become a necessity to provide sustenance to our children, and without adequate funding even these programs fail. Sad to say, Lighthouse Niagara has failed because of the lack of funding.

Time and time again, the previous government refused to respond to pressure for better public services, instead dumping responsibility on to our local governments. The result is that local public services are suffering everywhere in Ontario. There is more to do and less money to do it with. Everyone sees that every day, because local public services are the most immediate and most visible public services we have. As an example, services once provided in Niagara Falls are now only available in St Catharines. With no public transit system between municipalities, more and more people are finding it more difficult to access the services they require.

There has to be a new deal for local governments, especially for our larger cities. Today our big cities are the engines of our economic growth and we ignore them. If we do that, we allow them to decline at our own peril. The role of government needs to change.

Finally, we would like to talk about the need to renew Ontario's ability to regulate in the public interest. New governments often want to change or reinvent the way

things are done. This is understandable, but deregulation and privatization are not the kind of change the people of Ontario voted for in October. We don't want or need high-profile events like Walkerton, the epidemic of deaths among young workers, the crisis of quality in long-term care, the increasing encroachment of for-profit hospitals in our health care system, the weakness in our health protection system as exposed by the SARS outbreak, the growing number of smog alert days in the summer, the closure of public beaches and the serious problems in our education system. Every one of these headline stories stands as a symbol for countless other stories of failure to regulate or to protect the public interest. The previous government turned this province into a happy hunting ground for those who seek to enrich themselves for private interests at the expense of the public interest. It has to stop.

It is our view that the people of Ontario don't want to sell off public services to enrich private interests. We do not agree with selling Hydro, selling the LCBO, delisting services such as hearing aids, destroying the universality of our seniors' benefits, selling TVOntario or attacking public sector workers under the guise of reinventing government.

In conclusion, the damage caused by Ontario's anti-government since 1995 is not going to go away overnight. It took the Harris-Eves era eight long years to bring public services in this province to their current state. But we feel strongly that the current government must follow through on the first steps toward the services renewal that it promised in its election platform. That will only be possible if the government shows some courage and demonstrates good faith in the goodwill and good sense of the people of this province.

We know that Ontario's public services need substantial new investment, and we know that the province's fiscal position is weak, undermined by years of ill-advised tax cuts that we could not afford. We know that this government cannot deliver on the public services renewal we so badly need without increasing revenue. Indeed, Ontario faces a revenue problem, not a spending problem. Let's not let the commitment to the right-wing Canadian Taxpayers Federation take precedence over the promises to the people of Ontario.

We are prepared to do our part. The stakes couldn't be higher because, if the Liberal government persists in its pledge not to increase taxes, it will be making public services renewal impossible, and at the end of this term its only accomplishment will be to have cleaned up the fiscal mess created by the Tories, just in time for the Tories to be re-elected to start the process all over again.

We need a real debate about Ontario's future, a debate that puts everything on the table. It is time to start hoping again, and it's time to reinvest in Ontario. Thank you.

The Chair: We have about two minutes for each caucus, and we'll begin with the opposition.

Mr O'Toole: Thank you very much for your presentation this morning. It obviously puts the ball squarely in the current government's court.

I'm just going to take one part, and there'll be a question at the end of it, believe it or not. You say in conclusion on the last page of your report, "The damage caused by Ontario's anti-government since 1995"—actually, I think what you should do is check history. I'm giving you a little assignment here. I'd say around 1994 the social contract—in fact, it started in 1993. It was called the municipal restructuring plan. Most of the members here who pay attention to this might know. I think Mr Prue would know.

Mr Colle: Don't lecture us.

Mr O'Toole: I'm really trying to make an important point. Since then, all governments—and I'll put to you a question at the end of this. The social contract started to say, "There isn't enough money to pay for all these things," basically. It was prior to that that there was another attempt. Clearly, the balance between proper tax policy and the cost of services is an ongoing pressure. How many of the promises made by the Liberals do you actually believe they will keep? That's my question to you.

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Mr Sonier: Is that your question? I don't know. It seems right now, not too many. If they are going to keep one promise, we would suggest—

Mr O'Toole: The P3 one.

Mr Sonier: No. I'm sorry; let me rephrase that. If they're going to break one promise, we suggest that they break the promise made to the Canadian Taxpayers Federation. That's the one we suggest they break.

Mr O'Toole: Raise taxes.

Mr Sonier: Absolutely. You bring up that point about taxes. People of Ontario understand that if taxes are increased for the purposes of bringing social services back to what they used to be—I think Ontarians would agree that would be the way to go.

The Chair: We'll move to the NDP and Mr Prue.

Mr Prue: I would have to agree with you. If you're going to break 230 promises or one promise, it's better to break the one.

Mr Sonier: Absolutely.

Mr Prue: You have made a statement on the last page, and I'd just like to go into this. I know there has been some musing by the current Premier and by some of the members of the cabinet about such things as selling off Hydro, selling the LCBO, delisting services, destroying the universality of seniors' benefits, selling TVOntario and/or restructuring government in a way that may see the layoffs of thousands of civil servants. In your view, of course, this is wrong. But if they are not going to break their promise to the Canadian Taxpayers Federation, what other choice do they have?

Mr Sonier: That would be the only choice I have. The Liberals were elected because they were different from the previous government.

Mr Prue: Well, they campaigned differently.

Mr Sonier: Supposedly. What we're hoping for is to see a commitment to the promises that were made. People didn't vote to sell off our crown corporations. We

understand that because of the fiscal restraints—like I said, it's not a spending issue; it's a revenue issue. The only way to solve that problem is to increase revenue. We say that the one promise that should be broken is the one with the Canadian Taxpayers Federation. That would alleviate a lot of the problems.

Mr Colle: I'd just let you know that we appreciate your advice about the Canadian Taxpayers Federation. That's why we're having these hearings: to listen to you and not to lecture you, to let you know that we've done something unprecedented already, that there's a process of talking and listening to every public service in this province that's been underway. You probably know of this. We want to talk to every public service and dialogue. We've had over 3,000 suggestions from them so far. People in the front lines are saying, "Here's how to deliver that public service to the people who need it."

Therefore, we ask you to continue giving us those suggestions of what not to do and what to do. The more we get, the easier it will be for us to make these difficult decisions. So I thank you. Please keep pushing us to do the right thing.

Mr Sonier: Thank you very much.

NIAGARA HEALTH CARE COALITION

The Chair: I would call on the Niagara Health Care Coalition. Good morning. You have 20 minutes for your presentation. You might allow for questions, if you so desire. Please state your names for Hansard.

Mr Malcolm Allen: Malcolm Allen.

Ms Suzanne Hotte: Sue Hotte.

Mr Allen: We appreciate the opportunity to speak with you this morning. We'd like to go through our brief with you.

The Niagara Health Care Coalition is a member of the Ontario Health Coalition, a network of more than 400 organizations representing hundreds of thousands of individuals in all areas of Ontario. Our members include the Council of Canadians, the council of women, seniors' groups including the Retired Teachers of Ontario, ARM, CAW retirees, nurses, health care workers, 36 union locals and concerned citizens in Niagara-on-the-Lake, St Catharines, Thorold, Lincoln and Grimsby, which we represent. We are a non-partisan group committed to maintaining and enhancing our publicly funded, publicly administered health care system. We work to honour and strengthen the principles of the Canada Health Act.

In October, as you are well aware, Ontarians voted for a fundamental change in direction promised by the Liberal Party during that election. Over the last two months, many of our members have contacted us in shock and dismay over a series of government announcements. They are very concerned about what appears to be a shift in the newly elected government's priorities from reinvesting in Ontario's public and social programs to the privatization of certain hospitals, the selling of government assets, and user fees. Ontario's public health care system has been severely battered in the past eight years

because of the previous government. First it was tax cuts, and in so doing, decreased funding for health and social programs. We are hearing almost daily that the inherited deficit has to be remedied before anything can be done to improve health care or education. This goes against Ontario voters' highest priority of reinvesting in health care and reinvesting in education.

The last eight years in Ontario—and 15 years in Britain, if we use them as an example—have shown us that privatization and restricting services do not save money. In fact, these two actions threaten the future of the health system. From our experience, it is clear that delisting and attacks on the principle of the universality of medicare are a false economy. Because of the Conservative government's funding policies, Ontarians now have the highest out-of-pocket expenses for health care of any province in this country; an average of \$1,072 is paid by each person in this province on an annual basis. For many of the working poor who live in this region, and indeed who live in this province, this more than wipes out what they received in the "tax cuts" by the previous government. For middle-income families, it diminishes significantly any of the tax decrease they saw.

Privatization has increased our health care costs and fostered a system that is less accountable and less responsive. Companies, quite frankly, are in the business of making a profit, and that's as it should be. But this means that if they are to provide us health care services, they have to build it in, which indeed makes that particular service more costly than if it was simply publicly funded. The public-private partnerships being considered for our hospitals, including the one, I may add, close to us in West Lincoln, which is up in Beamsville, will cost more to build, more to operate and more to maintain. They will simply hide the debt off the government's books, which unfortunately means that the most efficient use of society's resources, the thoughtful investment in necessary public infrastructure and restoration of public non-profit delivery of services, will be wasted.

Since 1995-96, Ontario's drug costs have increased by a whopping 130%. Wouldn't any business love to have increased its profit by 130%? Pharmaceutical companies since that time have actually topped the Fortune 500 list in profits. What we are looking for the province to do is to be an advocate to control those particular drug pricings.

As an aside I would add, from a business perspective, from an employer who provides health care as a negotiated item, that to delist services, to allow them to be privatized, will actually add a burden of cost across the province in an unequal way in the sense that unions and employees who negotiate contracts on their own will now have to actually go and negotiate some sort of coverage beyond, if you continue to erode the coverage that we benefit from through the public system. In other words, corporations will pass on the costs or you won't get the service. If the public service is enhanced, then it's the public who takes the shared cost and responsibility, allowing business to be competitive. As we know, in a

global marketplace, if you wish business to be profitable and you wish to have a climate of reinvestment, then that gives them a leg up.

I use General Motors as an example in the United States. I do that simply because I happen to work for them. General Motors in the United States has said that the highest proportion of costs in a car is retiree drug benefits for American retirees out of the UAW. Think of that for a moment, if you will: If we didn't have some sort of public system here and you simply privatized the whole lot and said, "Go ahead and do the American model," the costs will simply be passed on to a consumer, or the company will simply say the costs are too high and will relocate the business. So there are things that public services provide other than just simply the service to those who actually use it.

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Hospital restructuring did not yield expected savings under the Conservative government and will not yield savings if your government follows the same path. After the deep cuts of the mid-1990s, funding in the health system was restored—and we appreciate that restoration, by the way. The unfortunate part was, most of it went to hospital administration, hospital management and to private health corporations rather than the front-line health care services and to improve patient care. We should have, in the Niagara region, 698 mental health beds; we have 105. We have no mental health beds for children.

It is our belief that the goal of a public medicare system is to create the best health and health care possible for all residents. The reform and revitalization of medicare cannot be based on short-term financial planning and secret dealings with powerful private care industries. Ontarians do not see health care as a commodity. We see it as an essential social program, an integral part of our social infrastructure. Medicare must not be merely a public insurance scheme covering parts of a largely private industry. It will not be sustainable if it's defined this way.

The future sustainability of medicare will depend on stable and adequate funding. It will depend on governments limiting profit-taking and on the efficient utilization of resources. A greater percentage of health spending must be directed to patient care rather than advertising, profit and excessive administrative costs. Medicare's future depends on restoring public confidence through building democratic decision-making, improved transparency, accountability and public access to information. It depends on rebuilding and extending the application of the principles of universality, comprehensiveness, accessibility and public administration. It depends on modernization through progressive reform and the extension of the principles of the Canada Health Act. It also depends on control and coverage of drug and treatment costs. It depends on stable coverage of preventive services, including homemaking, physiotherapy and other therapies, and access to timely treatment. It depends on a serious commitment to combat the social causes of ill

health: poverty, lack of safe and healthy housing, barriers to access to public services and education, and unhealthy environments and workplaces.

Ms Hotte: Let's look at delisting and how it is a false economy. In the last decade, cuts and increases in pharmaceutical prices have increased the out-of-pocket burden Ontarians carry for health costs. According to the Canadian Institute for Health Information, Ontarians now pay \$1,072 per person per year in out-of-pocket costs, up from \$860 in 1995. OHIP delisting, high pharmaceutical costs, shortened hospital stays, poor funding of rehabilitation therapies and inadequate home and long-term care have contributed to an escalating burden of out-of-pocket health care costs for all of us. Forty-five procedures amounting to approximately \$100 million in services have been delisted from OHIP in the last eight years.

With the passage of Ontario's Bill 26 in 1996, seniors and those on fixed incomes began to pay user fees for their drugs. The same legislation forces those waiting in hospitals for beds in long-term-care facilities to pay more than \$40 per day for their hospital beds. Inadequate funding and cuts to home care budgets have caused thousands of Ontarians to lose homemaking and home care services if they cannot afford to pay for them. Almost three million Ontarians have inadequate drug coverage, according to a recent report commissioned by Health Canada. The proposed delisting of substance abuse programs and hearing aids and the proposed dismantling of universal drug coverage for seniors must be abandoned and a renewed commitment to universal, publicly funded services must be made.

Privatization and P3s: The global evidence is that the most privatized health systems are the most costly. Certainly, we can look at the results of the massive privatization in the United States over the last 10 to 15 years to see the impact. In 1971, when the last province signed on to medicare in Canada, both Canada and the US spent about 7% of GDP on health care. Since then, US costs have grown faster, now accounting for almost 15% of GDP compared to our 10%. This year, US health costs shot up by 9%, the largest increase in 11 years. Americans now pay US\$5,440 per person for health care, more than double our per-person cost. Even though more than 43 million Americans have no health coverage whatsoever, the US devotes more resources to health care than any other industrialized country—this is according to the Organisation for Economic Co-operation and Development. As in Canada, the multinational pharmaceutical industry is one of the main cost drivers in the system, accounting for about one sixth of the increase in health spending over the last year.

A growing portion of Ontario's health services is controlled by private, profit-seeking corporations. Many of these companies are operating in the US. In Ontario, the evidence is that an increase in private delivery amounts to an increase in cost and a diversion of resources away from patient care. In home care, the introduction of so-called managed competition in 1997 attracted a flood of for-profit provider companies into our province.

Laboratory privatization has not reduced costs, but has diminished service levels and had negative consequences for the remaining public providers. Privatization of cancer care and the emergency triage system have been accomplished only at a greater cost than public provision, with unproven results. Drug costs have the dubious distinction of being the greatest growing provincial budget item. The net effects of privatization have been higher per-unit costs, erosion of service levels, erosion of working standards, money redirected from care to profit, higher out-of-pocket costs, and inefficiencies.

Let's have a look at P3 hospitals. The evidence that so-called public-private partnership, or P3, hospitals cost more is overwhelming. Following the same model as the privatization in Britain, Ontario's P3 hospitals have already shown cost increases from initial projections. In Brampton, capital costs alone have increased from a projected \$300 million to over \$350 million. In Ottawa, costs are up from an original cap at \$100 million to over \$125 million.

In Australia, where they also have P3s, they found in New South Wales that their P3 hospital could have been built two times over in the public sector for what they will eventually pay in the private sector. The Enron-style accounting for these schemes has been similarly criticized by auditors general in the UK, Scotland, New Brunswick, PEI and Nova Scotia. They all note that the public gets stuck with higher costs and the majority of the risk.

What is clear is that in the P3 model we will pay more to simply hide debt from the public and we will lose vital control over our hospitals and health system as a result. It is imperative that the government stop these P3 deals and revert to public finance and control over our hospitals.

Home care: Privatized delivery of home care through the competitive bidding model adopted by Ontario is redirecting precious health care dollars out of patient care and into ballooning administration. Six years after its inception, the home care system is rife with duplication, inability to staff efficiently, excess administration and profit-taking.

Expenses incurred by tendering requests for proposals, preparing bids, evaluating proposals and monitoring companies are all components of an unnecessary administrative cost burden. Each of Ontario's 43 community care access centres often has more than 10 provider agencies involved in the delivery of care, and each one of these agencies and the community care access centres have administrations: CEOs, financial officers, human resource departments and front-line managers. Far from streamlining the process of community care governance, this model drives up administrative requirements and escalates costs.

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Tinkering with the competitive bidding model adopted by the province will not be enough to solve the core problems in home care. The competitive bidding system has led to an increase in for-profit companies involved in the delivery of care. It has been estimated that \$42

million per year of public money is currently paid out in profit to owners and shareholders of these companies.

The contracting out of the therapy services by the Ottawa care centre provides a graphic example of this system creating extra costs. It documented that they paid over \$500,000 per year to provide exactly the same service that would have been provided had they been allowed to keep the therapists as direct employees.

The inherent redundancies and extra costs involved in the privatization of home care delivery is not a wise use of our public health care dollars, nor does it result in people receiving adequate home care when they need it. Managed competition has created instability in the industry, redirected health funds to profit and administration, contributed to severe staffing shortages and caused a decline in patient care.

In the year 2000, the Niagara Health System reported in its direct service plan that the cut to the number of people for home care has led to an increase in hospital administration, hospital waits and longer time for placement. It increased the financial, physical and emotional burdens on caregivers. In 2001, it reported more home care cuts and a funding shortfall of \$9.4 million. The caseload was cut by 1,400 people.

Niagara has a higher proportion of seniors living alone. The funding cuts force the most frail and elderly to stay in the hospitals. The province should move immediately to restore public, non-profit home care and allow the community centres to hire staff directly to eliminate the duplication and profit-taking.

The Chair: I would remind you that you have about two minutes left in your presentation.

Mr Allen: I'll allow you to actually go through the piece on labs. Again, it's an issue of looking at how Ontario's system of laboratories was moved from public facilities, primarily in hospitals, to private companies that now perform those.

One thing to note is most of the private companies perform the easy, cheap diagnostic testing. The more expensive and complicated testing is left to the public purse. Consequently, you have labs bleeding money, if you will, out of the public purse for profit to do small, regular, easy tests that quite easily could be done, in some cases, in the doctor's office or the way they were done before.

As far as long-term care is concerned, we're looking at, again, a model that is public, not private. Clearly, when you give public dollars to a private institution, one may say that the drive is that they can be more efficient. The end result is, it doesn't matter to us how efficient they can be. If they take money in profit, it's money that could be turned back into service delivery. So for us it's an issue of, yes, look for efficiencies. I think every organization does that, no matter who they are and what service they provide. But clearly, when private corporations take out money that could be service-delivered and put it in the pockets of those shareholders or, indeed, private companies, if that's what they are, who are private health companies, all we've done is take money

from the public and redirected it as a wealth transfer to other folks where it should be kept with those who are most in need of that particular service.

One of the issues we have around restructuring in the front line is that of folks who no longer work full-time but seem to work full-time, if you will. If you've had the situation where you've had to be hospitalized because of illness, or a loved one has, you'll notice that quite often, you don't see the same face. It has nothing to do with shift change; it has everything to do with that person not working full-time any more. What you have now is the lovely colloquialism of FTEs, known as full-time equivalencies in the trade. So what you may have is four nurses, equalling one full-time equivalency, dealing with one real illness. Not to belabour it and point fingers, but clearly the most recent crisis in this province with SARS in Toronto highlights the real danger of full-time equivalencies that aren't real full-time jobs, where you have nurses who are looking to work full-time and who are working in five, six or seven different facilities to try to generate a full-time job. If they are doing that, when you have a disease of the magnitude of a SARS transmission, they're moving, and one of things you need to do is contain it. But you have front-line health care providers who, because of the economics of the time and the fact that they're not full-time in one particular hospital, have to move, and they take those things with them, unfortunately, unbeknownst to them. So we really are looking at a situation where things need to be looked at with a more critical eye, especially when it comes to public dollars.

Let me just conclude by saying Ontario's health system has been substantially weakened through a decade of privatization and restructuring. It cannot sustain more of the same. It is because of the decline of medicare over the last decade, in part, that Ontarians voted for change. We expect the government to fulfill its promises to stop profit-taking and privatization in health care, to rebuild access to care and to promote population health. The evidence is clear. A refusal to reinvest in health care through a progressive tax system is a false economy. Privatization will simply increase costs and hide debt. We will pay, and pay more, if this policy direction is not stopped. This government has both the mandate and an obligation to Ontarians to institute a fair taxation system to reinvest in medicare.

The situation, my friends, is critical. The future sustainability of our health care system relies on you and your recommendations.

We thank you for your indulgence today and for the opportunity to speak to you.

The Chair: Thank you for your presentation.

NIAGARA SOCIAL ASSISTANCE REFORM COMMITTEE NETWORK

The Chair: I would call upon the Niagara Social Assistance Reform Committee Network. You have 20 minutes for your presentation. You may leave time for

questions if you so desire, and would you introduce yourselves for Hansard.

Ms Gracia Janes: My name is Gracia Janes, and I chair the SARC Network.

Ms Mariea McNelis: My name is Mariea McNelis.

Ms Barbara De Ruiter: My name is Barbara De Ruiter.

Ms Janes: In the interests of time, I'm going to be paraphrasing the brief. You'll notice in the back, on page 7, there are some stats about Niagara and the situation here.

I would like to thank you for this opportunity to speak on behalf of those people whose voice is not heard often and who, even if they did have a chance to speak, might be too busy struggling just to survive; that is, the poor, the working poor, and the children.

The Niagara Social Assistance Reform Committee Network is comprised of 16 front-line agencies, organizations and churches across Niagara. We were formed in 1988 to monitor and support the progressive social welfare reforms of Judge George Thomson's Social Assistance Review Committee, introduced by the Liberal government of David Peterson, continued by the NDP government in the early 1990s and then abruptly halted by the Conservative government in the spring of 1995.

The sad state of affairs that Ontario finds itself in today is definitely not part of the "just society" envisioned by the Liberals in 1988. As stated in the commission's Transitions document, "All people in Ontario are entitled to an equal assurance of life opportunities in a society that is based on fairness, shared responsibility, and personal dignity for all. The objective for social assistance, therefore, must be to ensure that individuals are able to make the transition from dependence to autonomy and from exclusion on the margins of society to integration within the mainstream of community life."

The commission recognized that substantive investments would have to be made to bring this about, but that the economic benefits to the province would make the investment worthwhile over the long term, particularly through increased employment as well as a better-educated, healthier public and monies flowing directly into communities for food and housing.

1150

Unfortunately, over the past eight years, hundreds of thousands of Ontarians, over 40% of whom are children, have been left out of this equation and must deal with and suffer from low wages; welfare cuts of 21.6%; the claw-back of the child tax benefit supplements from those receiving social assistance; a dearth of investment in new housing, community support services and agencies or in child care and other employment support programs; and particularly from the harsh nature of government policies. All have added substantively to a growing social deficit.

The need for investments in our social infrastructure and people is clear. It is unfortunate that the province faces a deficit-debt crisis while simultaneously having to deal with the fallout of a social welfare crisis not of its own making or intent.

Regardless, the Liberal government has, among other things, promised to bring dignity back to the lives of the poorest Ontarians, as witnessed by the recent repeal of the lifetime ban on people who are convicted of fraud; recognized that with a 21.6% cut to welfare rates and inflation over eight years, there is a need to increase welfare and ODSP rates; pledged to grandfather the national child tax benefit supplement clawback and give it back to the people who deserve it—the poorest; and committed to act on the housing and homelessness crisis in this province through a series of measures such as a comprehensive affordable housing plan in full partnership with the federal government.

They have already increased the minimum wage, effective February 1, to \$7.15 an hour and to \$8 over four years. They are promising child care and early years support, and they've recognized the need for fair labour conditions, as evidenced by the promise to do away with the 60-hour work week legislation, which has had a tremendously negative impact on the working poor, particularly women and new Canadians, and we believe has hindered job creation.

The Niagara SARC Network cannot speak too strongly in favour of investments in social welfare. A continued lack of investment will inevitably lead to far greater future costs and a substantive deterioration of the quality of life and economic outlook in cities and towns across the province.

We feel these investments should include:

- Adequate welfare and ODSP rates that allow people to pay the rent and feed the kids.

- An immediate uptake and investment in the housing program—couldn't be faster. In Niagara, there are 8,000 people waiting on the lists for affordable housing, and they've been waiting a while.

- Significant child care investments, because child care is a key to gaining and retaining a job.

- An increase in the minimum wage to a living wage. It has been estimated that a full-time worker, working a 35-hour week, needs to earn \$10 an hour to be just above the poverty line. Many jobs in Niagara are in the tourism sector, some are seasonal, and the high recidivism rate of over 40% returning to social assistance may well reflect an inability to make a go of it at minimum wage and without medical benefits;

- An end to the clawback of the national child benefit supplement, as promised. It is very, very important.

- Allowance for retention of earned income for those in receipt of social assistance until the person is truly able to be independent. This was one of the broken promises of the last government, which said the ability to earn income would make up for the 21.6% cut, and yet proceeded to claw back earned income, dollar for dollar, after the three years.

- Investments in rural communities: public transit between communities, child care, increased car value allowed for people receiving social assistance, social housing and centres for abused women.

- Joint provision of educational and living supports funds from OSAP and social assistance benefits. This would be an obvious outcome of the Kimberly Rogers inquest.

- Allowance for and method for people to save money for the future education of their children and to provide a cushion in times of crisis. These latter two investments would cost very little and yet provide a way for people to educate themselves and provide post-secondary education for their children, as well as get and keep jobs.

- An investment in people with disabilities. Too many people with disabilities live below the poverty line, and many are denied accessibility upon application and then later cut off upon review. The system needs a complete overhaul to make it fair and to ensure human rights. The complicated and frustrating application process should be scrapped. This could save ongoing costs related to ODSP and social assistance systems; for example, Andersen Consulting's—now, I think, Accenture's—expensive attempts to make their extraordinarily expensive and severely flawed system workable. There should also be increased investment in assistive devices, often prohibitive to those receiving ODSP, to help them get jobs and live more independently.

- Increased funding for mental health and addiction programs, which have experienced a net decrease in funding since 1992 for core programs, resulting in longer waits for addiction and mental health services. As well, more funding is needed for supportive housing. Community support enables people with mental health problems to hold on to their housing and thus prevents homelessness.

- Substantive investments in public transit, which not only allows people to get and keep jobs but to achieve independence and mobility through access to appointments, social events, family, friends and community services.

To back up our call for these investments, here is a social welfare snapshot of Niagara, using stories from our April 1 Social Audit of Niagara by the Interfaith Social Assistance Reform Committee and some other anecdotal data.

Ms McNelis: Increased hydro and fuel costs are hitting the working poor and those on social assistance very hard. For example, Community Resource and Action Centre in Welland reported that in the week of January 12 to 16, a working poor family had to make back payments of \$100 per month from a meagre salary to pay a catch-up bill from last year, and at our April social audit day, a mother told of turning the heat off for several months in order to keep ahead of the bills.

There are many rural communities in Niagara. They are definitely underserved and feel neglected. A report from West Niagara—Lincoln, West Lincoln, rural Grimsby, Pelham—says:

“We have unfulfilled needs: for social housing, there is some housing for seniors, but none for single women with families or adults with disabilities.... For child care,

there is not one licensed child care facility in West Niagara. Thus families must seek unregulated care and are often not eligible for government assistance. For affordable transportation, there is no regular, reliable public transit. If a person becomes unemployed, for example, she or he cannot access jobs outside the local community without car ownership. Many people without cars cannot travel to nearby cities for medical appointments without the generosity of neighbours.”

At the social audit, two women with diabetes told of their difficulties in feeding and housing themselves on \$930 and \$520 per month, one living in supportive housing and the latter in a \$420-a-month hotel room, using a hot plate and a small fridge.

A front-line agency worker has many times observed families with young children living in cramped, unsafe, yet still unaffordable, quarters and forced to move into still worse conditions that a parent in receipt of social assistance might be able to afford.

A young woman telling her story at the audit noted that she has serious mental health problems, yet people could not see her disability and so were sure she could work.

A rapporteur at the audit observed that: “Poor people are often stigmatized; potential employers often judge on the basis of appearance, including clothing; in many cases, the individual has sacrificed expenditures on clothing and accessories” in order to feed their children.

“Community agencies report an increase in the numbers of children eating in soup kitchens.

“Lack of access to preventative dental care results in declining health, reduced confidence, reduced likelihood of finding employment. Employers do not hire applicants with missing front teeth.

“Because of lack of money, children from poor families are often denied, or self-deny, opportunities to participate.

“Volunteer services are increasingly a vital resource for survival-level support and there is accelerating burn-out.”

Ms De Ruiter: Finally, as you consider the provincial budget priorities, consider these questions:

How much income per month would you need as a single employable to rent, eat and find a job? Compare this with the meagre sum allowed.

How is the income from social assistance and ODSP spent, and who benefits from it?

How much is the province forgoing in taxable income—economic potential—when people are jobless or working at less than poverty wages?

How can a child learn properly or be part of the community if he or she (a) goes to school hungry, (b) has witnessed his or her family being evicted, perhaps more than once, (c) is constantly tired due to cramped sleeping quarters, (d) knows and is ashamed that he or she can't invite friends home due to home conditions, (e) is not able to afford a class trip or (f) is teased for being poor?

How long can underfunded and volunteer community services keep going, given the growing human needs?

Could you find or keep a job if you didn't have a phone, had to rely on a car worth only \$5,000, which is allowed on Ontario Works, had a front tooth missing, lacked public transit or had no child care?

Shouldn't the province invest in its future now to ameliorate immediate, and avoid long-term, costs of poverty—for example, physical and mental ill health, poor education, joblessness, reduced community investments on food, housing and taxes? Why wait?

1200

The Chair: We have time for one question, and in this case it will go to the government.

Mr Colle: Again, the presentation is stark. On the other hand, it's a reminder of the enormous deficit there is in human need and social need. We certainly don't underestimate the need to make people who are willing and able help themselves in any way we can, and we appreciate any suggestions you have. You've got a lot here.

As you know, we moved on the minimum wage. We're trying. We're going to be moving on a number of different areas. We've followed on the Kimberly Rogers inquest, where we're lifting the lifetime ban on welfare recipients. There's so much more to do. I just ask that you continue to give us direction on what is more imminent and what needs attention right away.

Given the horrendous state this province is in, left by the previous government, we don't underestimate what has to be done, but we are determined to get input from you on how best to do it, considering the reality. So please keep on asking us and pushing us in the right direction. We need a bit of direction, because there are going to be some tough decisions made, especially in this first year, as we cope with the disaster financially. We don't underestimate that, and we don't use it as an excuse. We're just telling you, please work with us in trying to overcome that as best we can.

Ms Janes: I'll take that as a question. I really feel that if you were going to do anything, there are two most significant things. One is the welfare rate. No one, even people making a decent amount of money—how can these people subsist, having a 21.6% reduction in income? We know that is the reason people are going to food banks, why they're going hungry, why children are going to food banks, why people are sleeping on the streets in some cases. It's horrendous. It's just not civil. That is the thing you have to do. You have to have adequacy.

The other thing you should consider is that actually housing is the biggest component in anybody's budget. For people to have affordable housing is very, very important. We haven't built anything in over eight years. In fact, when the federal government started cutting back and targeting in 1984, it has sort of been downhill all the way. Now they're back into it big time, and you should take advantage of it. It shouldn't be left on the backs of the small communities. Even the region of Niagara is having difficulty.

We have 8,000 people on the waiting list. They can wait anywhere up to four years, if not longer, and they

are only asking for 150 units in Niagara, because they know the reality, or they're afraid of the reality, because their municipality can't afford that chunk. The previous government was only going to put in about 10%. So there needs to be that housing dealt with, for sure.

Just consider it as a long-term investment. It's like having a house and having a mortgage on the future. It's just a mortgage on your future, but as the commission said way back in 1988, it's going to be paid back with people having jobs and paying taxes, and a better future for our children.

The Chair: Thank you for your presentation. A point of order, Mr O'Toole?

Mr O'Toole: Yes. It would be appropriate if I asked the researcher, Mr Johnston, if he could put a price beside each of the recommendations you've made. In a general sense, all the presenters have requests and make very sound arguments for those requests, I might say. Could we have an ongoing total on each of the presenters of what the actual request is for? Is that possible?

Ms Janes: Could I have a point of order as well, to add something to that? Maybe somebody else could—the costs.

The Chair: I'm sorry, but this is for the committee to determine.

Mr O'Toole, I'm told that research could list the requests put to the committee and, if there is a figure in the presentation, put that figure there.

Ms De Ruiter: We also have to look at the cost of not doing it.

Mr Barrett: Just to clarify, Mr Chair, and not to embarrass the government, these people are not happy with a 30%-an-hour increase in the minimum wage; they're asking for a \$10 minimum wage.

Interjections.

The Chair: Order. I have stated that the researcher—

Mr Barrett: Are you going to increase it to \$10 an hour? That's what they're asking for.

The Chair: Order.

Mr O'Toole: Actually, my point is not to confront the presenter. I was the parliamentary assistant to finance and did this for three years. For each presenter we were able to quantify—

Mr Colle: Is this a point of order?

Mr O'Toole: All I'm asking for is what we have done for the years past. It's not an embarrassment. It's not to trouble the presenters. It's a valuable piece of information for you to assess all of the presenters in some substance as we conclude in our report, because at the end there is a report that summarizes what the committee hopefully will unanimously endorse.

The Chair: I have stated, Mr O'Toole, that the researcher could list those requests by presenters and their costing of those items. That will be done.

Mr O'Toole: Thank you very much, Chair. I appreciate it.

The Chair: I remind members that you should get your belongings out of your rooms. You can bring them to this room; I think it will be secured. Lunch will be right beside the pool, which I believe is at this far end.

Mr Colle: Poolside lunch?

The Chair: Poolside lunch.

We are recessed until 1.

The committee recessed from 1205 to 1303.

GREATER NIAGARA GENERAL HOSPITAL IMAGING DEPARTMENT

The Chair: The standing committee on finance and economic affairs will come to order once again this afternoon. I assume I am looking across the table at the Greater Niagara General Hospital imaging department, correct? You can use 20 minutes for your presentation or allow some of that time for questions. If you would, state your names for Hansard.

Dr Tom Li: My name is Dr Tom Li. I'm accompanied by Ray Foley, who is part of the Ontario Association of Radiologists. I am a radiologist and chief of diagnostic imaging at the Greater Niagara General Hospital, part of the Niagara Health System.

In my presentation today I am going to focus on several specific challenges facing the delivery of radiology services within the Niagara Health System and throughout the province. I would like to emphasize that the issues I am going to bring forward today about my own practice are reflective of the practice of radiology in Ontario and, more importantly, have led to inadequate patient access, an outdated equipment crisis and a shortage of radiologists throughout this province. These challenges are being faced in both urban and rural communities and have led to long waiting lists for radiology services.

The three key issues that I'll address are: (1) outdated radiology equipment and the need for immediate capital funding to replace it, (2) adequate operating funding to ensure this equipment is used most effectively, and (3) recruitment and retention of qualified radiologists to serve patients.

To begin with, I would like to provide a brief overview to explain what radiology is. Radiology is a medical specialty that uses sophisticated imaging equipment to view the inside of the human body. It is commonly referred to as diagnostic or medical imaging. The diagnosis of disease is the first step toward the treatment of disease. Radiology is an important component of that first step.

Radiology is a rapidly evolving field that is heavily dependent upon technological advances. The early diagnosis of disease ultimately results in reduced health care costs, fewer hospital admissions and better patient outcomes.

Medical imaging equipment is the key tool used by radiologists and includes common equipment such as X-ray, ultrasound, fluoroscopy, mammography and also more sophisticated technologies such as CT scanners, MRI scanners and nuclear medicine cameras.

I would also like to point out that patients can only be referred to a radiologist by another physician. The radiologist is a doctor's consultant, as radiologists provide

diagnoses to assist family doctors or medical specialists in developing strategies to treat patients. Only radiologists are specifically trained and qualified to interpret the diagnostic images.

Radiology services are delivered in hospitals or in licensed and highly regulated independent health facilities commonly referred to as community imaging clinics or radiology clinics. These clinics are funded by OHIP in the same manner as hospitals. About 50% of radiology examinations are provided every year in clinics, and most clinics are owned by radiologists working in a nearby hospital and provide radiology services in an integrated manner with that hospital.

Clinics play an important role in communities by ensuring that outpatients can receive care closer to home in an effective community setting. A key example of the importance of clinics was apparent during the SARS outbreak. All Ontario patients exhibiting SARS symptoms were referred for radiology services, and in fact one of the first cases of SARS was identified in a clinic. Most patients who were eventually diagnosed with SARS had multiple chest x-rays and/or CT scans.

It is also worth remembering that due to the provincial government directives at the time, which restricted patient access to hospital services and for varying amounts of time, clinics were the only providers of radiology services during a critical period during the SARS crisis.

What is clear is that diagnostic radiology is an important component in the diagnosis of disease. It is invaluable in early detection and results in more effective treatment. It is well documented that timely access to radiologists is critical in order to make an accurate and early diagnosis, which is important for diseases such as cancer.

The first key challenge that we face in radiology is underfunding, which is making it difficult to provide the best care possible. Since 1994-95, the funding for radiology services in Ontario has decreased by more than \$260 million. This funding cutback has led to a deterioration of services, which has led to an unequal level of access in many communities, where important radiology services are no longer available to patients. It has also meant that updating and replacing equipment in hospitals and clinics has been difficult, if not at times impossible.

1310

In Ontario there are thousands of pieces of outdated radiology equipment that need to be replaced. This outdated radiology equipment is located both in hospitals and in clinics. The Outdated Radiology Equipment Report released in September 2000 by my professional association, the Ontario Association of Radiologists, identified 2,400 pieces of outdated equipment in Ontario, with a replacement cost of approximately \$762 million.

Replacement of outdated equipment is a key priority for Ontario residents. A recent Environics public opinion poll found that more than 80% of Ontarians have widespread concern about access to radiologists and the use of outdated radiology equipment. In fact, 81% said that the use of outdated radiology equipment in Ontario is

a serious problem that must be addressed immediately. As well, almost 75% indicated they want government to fund new radiology services not currently available.

In Niagara, patients would benefit from modern equipment, including:

(1) An MRI to reduce a long waiting list, which is currently about five months. This MRI was approved in June, and it would be the second MRI in the region. Although the approval has been given for it, it would be difficult to raise the money for it through community fundraising alone.

(2) A modern multi-slice CT, which would replace our current 10-year-old single-slice CT scanner. Today's 16- and 32-slice CT scanners provide more detailed information with greater speed, to the benefit of patients.

(3) A picture archive communication system, otherwise known as PACS. This consists of electronic images stored on computer networks that would allow doctors to view images remotely and share information quickly and would replace the use of film.

In 2003 the federal government allocated \$590 million to Ontario in the medical equipment fund 2 that is clearly earmarked for replacement of radiology equipment. At this point, this funding has yet to be distributed to hospitals and imaging clinics that need this funding to improve patient services. This is a situation that the Ontario government, specifically through this committee, must address immediately.

This is an important investment in our health care system that would yield immediate results and improve patient care. Modern equipment is essential in decreasing waiting lists, providing timely service and providing high-quality patient care.

The Ontario Association of Radiologists, which represents more than 700 radiologists practising in hospitals and clinics, has prepared a plan that would result in measurable decreases in waiting lists, improved patient care and is a first step in rebuilding the radiology infrastructure in Ontario.

The plan includes dedicating a minimum of 80% or \$465 million of the \$590 million for diagnostic imaging equipment renewal; ensuring that this funding is split evenly between hospitals and clinics for equipment renewal; ensuring that investor-owned, for-profit clinics are not eligible to qualify for the funding; and ensuring that this funding is specifically directed at three priority areas, including (1) replacement of outdated radiology equipment, the primary modalities of which include X-ray, ultrasound and thoracoscopy, (2) investment in digital imaging technologies such as PACS and (3) purchases of new and/or replacement of existing but outdated CT and MRI scanners in those areas that are unable to obtain them through local fundraising campaigns.

Apart from the federal medical equipment fund 1 from 2001 and the yet-to-be-instituted medical equipment fund 2 for 2003-06, there is no government funding for capital equipment purchases. Hospitals rely on fundraising for the purchase of new equipment. The Greater Niagara

General Hospital Foundation is currently several years into a \$6.7-million campaign for redevelopment of the emergency department. At the current pace, it will take more than a year to reach that goal. Until that time, there are no resources available to fund the recently approved MRI or to replace the outdated CT scanner, which together would cost approximately \$5 million. Without government funding, it would be impossible to fund these important needs.

It must also be recognized that this fund alone will not meet the unique and growing needs of providing radiology services in this province. The Ontario government must also take a strong leadership role in ensuring early access to radiology services.

Now that the committee hopefully has a better understanding of how important radiology equipment renewal is, I want to spend a few minutes outlining the importance of appropriate funding for the operation of that equipment.

Without appropriate operating funding, radiology departments and radiology clinics do not have the ability to cover the costs of providing these important services. Costs associated with offering radiology services include staff salaries, supplies and other standard overhead costs.

There have been no increases in funding to cover these costs for nearly 15 years, and since 1995 the government has clawed back 7% of all funding dedicated to cover operational costs. This clawback was removed in 2003 for clinics but continues in hospitals. At the same time, the costs of operation have steadily increased.

At Greater Niagara General, additional funding would have a positive impact on reducing the waiting list for CT scans, which varies from exam to exam, but for a CT of head and spine the current waiting list is about 70 days. Unlike other radiology modalities such as X-ray and ultrasound, there is no dedicated technical fee for CT scanners. Operating costs are paid out of the hospital global budget, which generally does not recognize the increasing demand for more operating hours.

The Ontario government has approved several new CT scanners in small or regional hospitals but has not provided any additional operating funding. This places an unreasonable demand on hospitals that had no previous funding for this important diagnostic service. The OAR has recommended that the Ministry of Health provide \$400,000 of dedicated CT funding to the hospital CT scanners approved in the past years as well as future ones to help in the operation of equipment. Each year, the Niagara Health System struggles to achieve a balanced budget, and money spent to operate an unfunded CT scanner is money that cannot be spent elsewhere.

In closing, I would like to address the shortage of radiologists in Ontario and the difficulties we currently face in recruiting and retaining radiologists in our communities. We have all heard stories of communities with not enough family physicians, but there is also an acute shortage of radiologists and other specialists across the province. This shortage has gone unrecognized for years

and will take years to correct, even if something were to be done about it today.

Currently in Ontario there is a shortage of more than 200 radiologists and several hundred medical radiation technologists. In the Niagara region there are currently 18 radiologists and the Niagara Health System is trying to recruit an additional six radiologists to meet the current need. We are also facing the challenge of having to plan the replacement of four radiologists who are in their mid-to late 60s. These radiologists would like to retire but recognize the importance of their continuing to practise. Communities are competing against each other for radiologists, and at the current time there are just not enough to go around.

Thank you for giving me the opportunity to share my concerns. At this time, if you have any questions, I'll be happy to try to answer them.

The Chair: Thank you for your presentation. We have about two minutes per caucus and we'll start with the official opposition.

Mr O'Toole: Thank you very much for your presentation. I do respect the points you take quite sincerely; I want that to be understood. I met with the health care providers in my community, who fought very hard to make sure they had access to a CT scanner. It's a fundamental piece of equipment for primary care and emergency care today, as they explained it to me. So you won't find a problem with me going forward. I think there are mechanisms, together with the federal government, to release different funds for technology improvements. It's a whole debate, because the technology is reiterating and it's all redundant in about four years. It has to be replaced—the training.

The question I have for you is that it's my understanding in working as PA to the Minister of Health for two years, and Smart Systems for Health, e-health and Telehealth and that kind of approach to the digitization, that they can actually have the operation people do the scans on the patients, putting them in and out, but that the analysis of these digital images could be done in Taiwan. I mean, the radiologist can sit at a computer, call it up and look at it.

Dr Li: PACS technology does provide the ability to view images remotely.

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Mr O'Toole: They are doing that now. That's my understanding. It's really a question. Is that the future, or is there really a shortage? Would you invest in the technology and the distributive systems in technology so that we could have clusters of specialists doing these kinds of analyses and getting them back to the primary physician or surgeon?

Dr Li: I'll give you an example. Within our health system we've got eight hospitals—three major hospitals. If we were to invest in PACS in the health system to help alleviate the shortage of radiologists, PACS would allow radiologists from a hospital to view images done at another hospital. It just allows for the sharing of manpower. It also allows for the sharing of information.

Patients' exams: If a patient has something done in Niagara Falls and is seeing a specialist in St Catharines, the physician in St Catharines would have the ability to pull up the images in St Catharines.

Mr O'Toole: There are two important committees meeting: Bill 8 and Bill—

The Chair: Thank you, Mr O'Toole. Your time has expired.

Mr Prue: You have written on page 7, and I think this is the key that I want to zoom in on: "In 2003 the federal government allocated \$590 million to Ontario in the medical equipment fund 2 that is clearly earmarked for replacement of radiology equipment. At this point this funding has yet to be distributed to those hospitals and not-for-profit community imaging clinics that need this funding." Is that to say that no money that could have been put aside by the federal government has been spent by the Ontario government?

Dr Li: That's correct.

Mr Prue: Does that in turn—going over to page 10, you said, "Each year, the Niagara Health System struggles to achieve a balanced budget, and money spent to operate the unfunded CT scanner is money that cannot be spent elsewhere." So the money is earmarked there, it cannot be spent elsewhere and it's just sitting there in limbo, doing nothing?

Dr Li: That money was earmarked for capital equipment purchases: purchasing new equipment, replacing old equipment. It has nothing to do with the actual operations, paying the staff to run the equipment. The second item that you referred to was about the operating funding for CT scans now.

Mr Prue: So I'm not to confuse them.

Dr Li: They're two separate issues. There are no technical fees associated with running a CT scanner. The cost of running a CT scanner is completely borne by the hospital global budget, which has to pay for other things too.

Mr Prue: Just very briefly, in terms of this federal money, you're not asking for additional monies; you're just asking for the Ontario government to release this and to get on with it.

Dr Li: Yes.

Mr Prue: OK, thank you.

Mr Tim Peterson (Mississauga South): Early diagnosis prevents disease and also saves on high treatment costs.

Dr Li: Correct.

Mr Peterson: Have you developed any statistics on this which would help us free up this money?

Mr Ray Foley: I think some of the examples of that are breast screening and the Ontario breast screening program. The early detection of breast cancer obviously has been proven clinically to save lives. Similarly, osteoporosis is a disease that affects elderly women, and there are many studies and a lot of information in the literature that demonstrate that hundreds of millions of dollars of hospital costs on rehabilitation can be saved by detection of bone loss by technologies such as bone marrow

densitometry, a technology used by radiologists. There now are therapies that allow bone loss to be reversed and result in significant savings.

Dr Li: I don't think I can give you a specific dollar amount in terms of savings, but there are significant savings. It makes intuitive sense. Take breast cancer, for example: If you are able to identify breast cancer while it's small and have it removed surgically before it spreads, the costs of any additional treatment and the human cost are much less if you are able to catch that early.

Mr Peterson: It's intuitive, but the harder the numbers you can provide us with, the better.

The Chair: Time has expired, Mr Peterson. We thank you for your presentation today.

ONTARIO LIQUOR BOARDS EMPLOYEES' UNION

The Chair: I would ask representatives of the Ontario Liquor Boards Employees' Union, Region 4, to come forward. Good afternoon, gentlemen. You have 20 minutes for your presentation. You may allow time for questions if you so desire. Please give your names for the record in Hansard. You may begin.

Mr John Coones: Good afternoon, Mr Chairman and members of the committee. My name is John Coones. I'm the president of the Ontario Liquor Boards Employees' Union. With me is Mr Ralph Carnovale, who is our business agent.

The OLBEU represents more than 5,500 members who are employed in liquor stores, warehouses and head office of the Liquor Control Board Of Ontario. I'm here this afternoon to address you on the issue of privatization as a method of reducing the current deficit in our province.

On January 8, 2004, the Premier told the Globe and Mail editorial board, "We simply cannot deliver on all the responsibilities that we've assumed to date and deliver well." Further, he is quoted as saying, "We are going to design our budget in an entirely new way. I am going to bring results-based budgeting to Canada for the first time." Mr McGuinty said he will put "a workbook before the people and solicit their advice." He went on to say, "There is an entire range of opportunities to be found within businesses that we are in that could be run by the private sector." When it was pointed out that the liquor board generates massive revenues for the province and selling it could ultimately prove costly, the Premier said he is looking at ways to turn any asset sale into a long-term source of funds.

If the government should sell off the LCBO, whatever dollar amount they may get would be a one-time cash infusion only. What impact would that have upon the people of Ontario? Some people believe that because they don't drink themselves, it will not have an impact on them whatsoever. Not true. The LCBO generates more than \$975 million in profits annually for the province.

Profits should not be confused with taxes. The profits are an amount over and above the taxes which are collected on the sale of beverage alcohol after the operating costs of the LCBO have been deducted. If we were to include the taxes collected on the sale of beverage alcohol and other income, the net value which the LCBO generates for the province is just over \$3.1 billion annually.

The fact is that government will get their taxes no matter who sells liquor. What they will be losing, however, is \$975 million in profits. Any government that loses \$975 million in profit would without a doubt have to make up that loss by some other means. Either they would have to raise taxes or they would have to cut services that could no longer be afforded. If this happens, then even non-drinkers end up paying the cost. Essentially, the non-drinker begins to subsidize the drinker.

Along with this presentation we have provided a copy of a study by the Canadian Centre for Policy Alternatives and the Parkland Institute entitled *Sobering Result: The Alberta Liquor Retailing Industry Ten Years after Privatization*, June 2003. We believe that this study would mirror the outcome of an Ontario privatization endeavour.

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Among the changes seen in Alberta 10 years after privatization are that the number of retail outlets in Alberta has more than tripled, prices have increased and, while the number of products carried in their warehouse has increased, the selection in retail stores has decreased significantly. Even the majority of Alberta's largest liquor stores carry only about 1,600 products, compared to the more than 2,800 products carried by the average LCBO store.

The number of jobs in Alberta's liquor stores tripled, but full-time jobs which existed in the ALCB, with wages of \$14 an hour plus benefits and pension, were replaced by part-time jobs at an average of \$7 an hour, with no benefits or pension.

The study also points out social issues which have been negatively impacted and include fetal alcohol syndrome, ill health effects, family violence and divorce, lost work and productivity, and an increase in crime such as impaired driving. It suggests that there is a correlation between increased crime and the availability of liquor. The statistics also show that Alberta has the second-highest driving offences in the country.

One can also compare figures with the United States. For example, studies show that DUI arrests in West Virginia, a privatized state, are four times higher than in neighbouring Pennsylvania, which is a controlled state.

The more relevant fact for our discussions today is that while retail prices increased, partly due to the introduction of a flat tax, the revenue which would be directed to the Alberta government has fallen significantly.

The study found that against other retail segments, the amount of liquor consumed or purchased has increased, as would the costs for social responsibilities.

The study summarizes that "the Alberta government has lost effective control of the liquor industry."

If in Ontario the number of retail stores tripled with privatization, as it has in most other privatized jurisdictions, that would mean that Ontario would end up with 1,900 liquor stores, 436 beer stores, 385 wine stores and over 800 U-Brews and do-it-yourself wine stores. How much availability of beverage alcohol does Ontario need?

All of this raises the question of enforcement: properly enforcing the laws around the sale of alcohol in Ontario. Under a privatized system, the cost of policing this large number of stores will fall upon the municipalities that are already overburdened financially.

In considering the budget for the province, is the government willing to increase municipal transfer payments to pay for the increase in policing, enforcement, health care and social programs which will be required to offset the increased costs to each municipality?

The LCBO is a very well run, very efficient, award-winning and socially responsible publicly owned retailer of beverage alcohol. In 2003, LCBO employees challenged 1.1 million individuals, refusing service to almost 70,000 of them. Approximately 68% were turned away for age-related reasons. Will a private system maintain the same diligence and care of our youth?

The LCBO is the largest purchaser of beverage alcohol in the world and, as such, can demand better purchasing costs. We provide a wide range of products in modern stores, with exquisite décor, by polite, knowledgeable staff and offer many exceptional programs such as Shop the World and public classes on how to cook with wines and spirits, all of which provide for a unique shopping experience for the people of Ontario.

In closing, we recognize that this submission has been directed toward the privatization of the LCBO, but we are absolute in our resolve that such a move would have a long-term detrimental impact to our economy and on the quality of life in Ontario.

Selling off the LCBO, in whole or in part, will not resolve the deficit. It will in fact create a greater burden on other levels of government beyond what is currently being experienced. The LCBO is worth holding on to.

We were hoping to include in our submission a CD that provides a visual context of some of the impacts experienced by the people of Alberta resulting from privatization in that province. Unfortunately, due to the short notice of this meeting, the company that is transferring the data from video cassette to CD was unable to have it completed in time for this presentation. However, with the committee's permission, we would like to have the CD available to send to you in a few days.

We have also incorporated photographs of current LCBO outlets, as compared to some of the private outlets in Alberta as well as in some other jurisdictions, as a testament to the quality of the public system currently enjoyed by the taxpayers of Ontario.

Thank you for listening. If you have any questions, I'd be pleased to try and answer them.

The Chair: Thank you. If you would care to send that CD to the clerk in the future, he will ensure that the members receive it.

We have about three minutes for each caucus and we begin with the NDP.

Mr Prue: A couple of questions: Much of what you're saying here is known by all of us. I think that's in part why the former government did not sell the LCBO, although they considered it, and why I am highly doubtful that this government will end up following the musings of the Premier. Having said that, and I hope I'm right, the challenges to youth, and I would assume to those who are believed to be under the influence of alcohol, are what I'm most interested in. It's done quite regularly. I've witnessed myself people being challenged in LCBO stores. Tell me, what are the employees instructed to do?

Mr Coones: We have a program called Check 25. Basically what that means for our employees is that if anyone looks under the age of 25, they must challenge them. They ask them for identification. They must prove through their ID that they are in fact old enough, and if they are not, then they are refused. They also have the right to refuse anyone who is of age if they believe that person is purchasing for someone who is underage. They can refuse to serve that person as well. Of course, they also challenge and refuse individuals who they believe are already intoxicated.

Mr Prue: And is this a matter of LCBO policy?

Mr Coones: Yes.

Mr Prue: All right. So a private person at the till, working for a company who was intent upon making profit, might be a little bit angry that you're sending away customers, either customers who already had had too much to drink or who they thought might be handing over the booze outside the door. Is that what you're saying? That seems pretty relevant to me.

Mr Coones: I think the difference is that if an LCBO employee refuses 50 customers over a weekend, they don't lose anything; that's their job, and at the end of the week they're still going to get paid for doing their job. When you're in a private system, the competition generally is very great, so the idea of turning away customers when you have rent or a lease to pay on your store and overhead to pay for purchasing products and that type of thing, the temptation to serve people is far greater. The bottom line becomes very important then. We have seen in many privatized jurisdictions where it is in fact the case that minors are served. As a matter of fact, we had that happen right here in Ontario with one of the private franchise stores that they've been introducing.

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The Chair: We'll move to the government question.

Mr Colle: The previous government introduced these private franchise stores. Could you give us an idea of how they're working out or what impact that decision is having on some of these issues you've raised about control, profit etc.

Mr Coones: We as a union have a great concern about these franchise stores. There were criteria set up in order

to establish them. The criteria are not being followed. One of the marketing things they've been using with smaller communities is to tell them that if they put a franchise store or what they are now calling an extended agency store into their community, it will cut down on drinking and driving, because all you have to do is walk down the street to the liquor store; you don't have to drive anywhere.

We've been having focus groups over the past month, and we had a focus group in an area that has a franchise store. What they have told us is that in fact it's having the opposite effect. The reason for that is that the liquor store in their community, which is Lefroy, up near Barrie, is open until 11 o'clock at night. The closest LCBO liquor stores, roughly 15 minutes away, are in Stroud, Alcona and Barrie. These liquor stores close at 6 o'clock, so all of the people from the surrounding areas are driving now to Lefroy. If they're having a party and they run out of liquor, they drive to Lefroy because they know the store is open. It has increased traffic, but it is also increasing the number of people driving and drinking, so it is having the opposite effect.

To us, franchise stores are a real, grave concern, because we can see where these stores are practically mirroring our smaller C and D stores in the province. What we see happening is that down the road, when they get these all in place, they are going to start closing out the LCBO stores.

The Chair: We'll move to the official opposition.

Mr Barrett: In your arguments against the Liberal government privatizing the LCBO you mention the profits, and then on page 2 you say that if you include taxes on beverage alcohol, it brings the total revenue to \$3.1 billion. When you say "taxes on beverage alcohol," you're just referring to the beverage alcohol from the LCBO and not from the beer stores or the—

Mr Coones: No, I'm talking about the LCBO, and that's taxes and other revenues that the LCBO generates; not profits but other revenues, because they do invest.

Mr Barrett: You're not referring to the taxes from beer stores or anything like that?

Mr Coones: No, strictly LCBO.

Mr Barrett: On page 5 you talk about the 1.1 million people who were challenged. You're not suggesting that people are not challenged at the Brewers Warehousing Co or at the corner store?

Mr Coones: Not at all. Our concern is with private liquor stores as opposed to Brewers Retail.

Mr Barrett: Just going back to the \$975 million a year in profit generated by LCBO outlets, is there a case to be made for this government, if they did reverse the musings on privatizing the LCBO, to bring the Brewers Warehousing Co stores, which are privatized, under the government umbrella, to have government employees selling beer in these stores? Or, by extension, is there a case to be made—I've heard the case—to have government employees sell cigarettes, for example, and accrue those potential profits as well? We're talking additional billions.

Mr Coones: I'm not suggesting that the LCBO take over Brewers Retail. We already sell beer products. Brewers Retail is an efficient system. It is private, but it's an efficient system. In fact, they have the best bottle return system in the entire world, and if we did anything much to change Brewers Retail, I think we would jeopardize that. So I'm not suggesting that we get involved with Brewers Retail.

In terms of cigarettes, since you bring up cigarettes, I guess I could make a couple of comments on that. Number one, my understanding is that there is some group out there lobbying to have cigarettes sold out of LCBO stores. It's not something we've been looking at, but I think it also points out our concern about enforcement and policing. You can see minors buying cigarettes every day of the week, and one of the reasons they're able to do that is that there are just so many retailers selling cigarettes, it's impossible to properly police.

When you consider privatizing alcohol, in all the other jurisdictions that we've studied, the number of retailers has tripled, at least, if not more. When you have that many stores springing up all over the place, who is going to police them? Where are you going to get the people or the funds? That will fall to the municipality, not the provincial government.

Mr Barrett: Mr Hudak, did you want to—

The Chair: I'm sorry, your time has expired. I want to thank you for your presentation this afternoon.

UNITED WAY OF NIAGARA FALLS

The Chair: I would call upon the United Way of Niagara Falls. You have 20 minutes for your presentation. You may allow some time for questioning if you care to. Would you please identify yourself for the purposes of Hansard, and then you may begin.

Ms Carol Stewart-Kirkby: My name is Carol Stewart-Kirkby. I am the executive director of United Way of Niagara Falls, and I am also representing the three other Niagara United Ways today. Joining me is Rosanna Thoms, executive director of Information Niagara, the information and referral provider for Niagara for the past 30 years.

We're here today to tell you about an invaluable service, 211, and to ask that the provincial budget include funding to enable the provincial government to partner with the United Way in the implementation of 211 service throughout Ontario. Collectively, United Way and their partners are seeking \$3 million from the province in 2004-05 to begin expanding the 211 service to communities outside Toronto.

In 2001, in response to an application from United Way and its partners, the Canadian Radio-television and Telecommunications Commission assigned 211 for toll-free information and referral about social, health and government services. In June 2002, United Way of Greater Toronto and Community Information Toronto launched Canada's first 211 service for callers in the 416/647 area code.

Operated 24 hours a day, seven days a week, the free, multi-lingual 211 service has proven extremely successful. Counsellors at the Toronto 211 call centre answered more than 100,000 calls in the first six months, and the www.211toronto.ca Web site is currently receiving more than 50,000 hits per month. The 211 service in Toronto is funded by the United Way of Greater Toronto, the city, as well as private donors and foundations.

United Ways and their partners in more than a dozen communities, with support from the Ontario Trillium Foundation, have now developed a plan to implement 211 service across Ontario. We have also completed significant research on service delivery models and standards.

After the CRTC approval of 211, Information Niagara and the four area United Ways created a partnership to work on bringing 211 to the community of Niagara. In August 2002, a feasibility study was produced with input from the community. This study identified Information Niagara as the organization best equipped to move forward with the 211 implementation. We have continued to work at gaining community support through public consultation and community involvement in committees and task groups. Information Niagara has been recognized as an early implementer and is working closely with Community Information Toronto, the organization operating 211 in Toronto. Support from the province would allow us to launch 211 Niagara in January 2005.

We believe 211 represents a unique opportunity for partnership between the United Way and the province to bring this low-cost, high-impact service to all Ontarians. As with many worthwhile initiatives, the main impediment to timely expansion of 211 service is resources. No other community has access to the kinds of corporate and foundation resources Toronto was able to marshal to implement 211.

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The 211 service is consistent with the province's integrated service delivery initiative and the broad movement toward improving service delivery by offering one-window forms of access to programs and services. In Toronto and in many communities across the United States, 211 has become the first call for help. The 211 service is based on professional information and referral standards, including assessment and mediated assistance when required. By better connecting people with the services they are seeking, 211 helps reduce the time that staff from government and community agencies now waste fielding errand calls.

A fully operational 211 system also offers significant cost-saving potential by reducing the need for government to continually advertise access to programs and services. Additional savings could be realized by eliminating duplicative activities and ensuring government initiatives remain focused on their core business and competencies. The rollout of community care access centres and Early Years centres provide some recent examples.

The comprehensive 211 database offers an excellent foundation for provincial initiatives requiring the creation

or maintenance of specialized databases; 211 also helps reduce the demand on resources now devoted to building and maintaining public awareness about how to access provincial programs. Two proof-of-concept 211ontario.ca service directories are set for launch early this year: the Ministry of Training, Colleges and Universities' access to professions and trades, and the Ministry of Community Safety and Correctional Services' Ontario youth justice directory.

Here in Niagara, 82% of voluntary organization and government services locate in the urban centres of St Catharines, Niagara Falls and Welland. This, together with no regional transportation system, creates difficulty for individuals accessing services. By 2006, Niagara's population aged 75 and over will have grown to 37,369. By 2011, Niagara will have enough people aged 65 and older to completely fill a city equivalent to the size of Niagara Falls today. Access to a 211 service will help vulnerable people like the elderly, disabled, non-English-speaking and illiterate to help themselves by making access to services easier. In a study of callers to 211 Toronto, it was determined that 83% of callers indicated ease of use by dialling 211.

The United Way helps find solutions to community problems and is a significant funder of agencies providing social and health services. The 211 complements the United Way's role as a funder of community services by helping people connect to the services they need.

Support has already been received by Human Resources Development Canada through significant investment in the development of the technology platform for the 211 system, which currently supports 211toronto.ca and 211ontario.ca. The government of Canada identified HRDC as the lead federal department for 211, and a report on 211 was completed by HRDC in November 2003. On December 12, HRDC was divided into two entities, the Department of Social Development and the Department of Human Resources and Skills Development. We hope to have an indication about the new departments' involvement in this project very soon.

In Toronto, the municipality is a key partner, and 211 operates under a service agreement between Community Information Toronto and the city. Also, the 211toronto.ca Web application resides in the city's electronic service delivery environment, representing significant additional in-kind support for 211 in Toronto.

Across Ontario, municipalities and United Ways are the primary funders of community information and referral services. Many local planning groups pursuing 211 service include municipal representation.

In Niagara, Information Niagara has been endorsed by the regional municipality of Niagara as the service provider for the Niagara region. Support for the information and referral service is received by all four area United Ways.

We are aware of the province's budgetary challenges and the current \$5.6-billion deficit. Provincial investments in 211 would be back-end loaded, requiring modest year-one investments.

The 211 service is a low-cost, highly visible and high-impact initiative. A fully operational service is estimated to cost approximately \$1.30 per Ontarian per year. We are asking for a commitment to allocate funds for 211 in the upcoming provincial budget to enable the timely rollout of 211 to all Ontarians.

I would like to leave you with some quotes from Ontario public service staff about the 211 service in Toronto: "211 is a big help—we know if a caller goes there, they will be directed to the right place," and the second quote, "Frankly, it is a huge relief for staff to have that referral. You have no idea how frustrating it is for customer service representatives who are speaking to very distressed people at the hardest time in their lives, and they have no idea how to help them."

Ms Rosanna Thoms: I'd like to share with you just a couple of examples of true calls that came into 211 Toronto so you can see the type of service Ontarians would receive.

This call was from a senior who identified herself as a visually impaired person and stated that she had recently fallen. She was receiving some assistance for in-home support, but she was afraid that if some minor household repairs weren't done, she would be forced to leave her home where she had lived for 37 years. Being on a limited pension, she could not afford private contractors. The information referral specialist at 211 Toronto contacted an agency in the east end of Toronto, and this agency was able to put her in contact with a senior who was a retired electrician and lived in her area and with a plumber who would assist her for a nominal fee.

My other example is a woman who was in a domestic violence situation calling 211 in Toronto and indicating that she had been physically abused by her boyfriend. He had left, but he had also stolen all the Christmas gifts she had for her kids. With Christmas only two days away, she worried that her children would not have any presents. She called 211 looking for some kind of assistance. The information referral specialist emphasized that safety had to be a priority and made sure that the abuser was out of the home. With that, she contacted the desk sergeant at the Toronto police division. During a three-way call, the officer told the abused person how the situation would be handled from a police standpoint. The caller was very much encouraged to file a report. The information referral specialist then contacted a women's shelter and spoke to the manager. The shelter arranged for an outreach worker to deliver donated toys and presents to the caller and to provide her with counselling and support.

Those are just two examples of calls that were dealt with in Toronto.

With that, I'd like to thank you for this opportunity to share our views with you today. We'll be happy to answer any questions.

The Chair: Thank you. We have about two minutes for each caucus, and we begin with the government.

Mr Wilkinson: I'm a new MPP, and it's amazing how you can go out and find out about things you don't know

about. I know in my own community of Stratford we don't have this, so I find it quite interesting.

If you don't mind, I just want to ask you a couple of specific questions so I have a better sense of the money. You're looking at \$3 million this year, and that would come from which department of the government? I see that you already have money from Trillium, for example—it's not a government department—and also Information Ontario. So the request is going to which ministry?

Ms Thoms: It isn't. There is no ministry assigned. That's what we're asking for. We're asking for \$3 million to be included in the provincial budget.

Mr Wilkinson: Somewhere.

Ms Thoms: Somewhere.

Mr Wilkinson: So we'd have to find a place to put that if we're going to provide it.

The second thing is, it's \$3 million this year, and you're saying eventually it would be about \$1.30 per Ontarian. That would be about \$15 million annually. So how long do we go to get from \$3 million this year to \$15 million?

Ms Thoms: Five years. The plan, the study, is a five-year rollout in Ontario.

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Mr Wilkinson: You've got money from HRDC, from the federal government, to get it to this point. Are you making an application for matching federal funds? I see in the United States examples, where this started, that it's a matching between the federal government and the state government. Is that your proposal as well or are you suggesting it would be to the provincial government?

Ms Thoms: Right now, the partnership we're looking at is the provincial government, United Ways or municipal governments, which are already funding. The federal government tends to put money into capital costs. That's what they did with Toronto. They provided dollars for the platform for Toronto and also the platform which will run the whole provincial technology system.

Mr Wilkinson: So that's already there.

Ms Thoms: That's in place, funded by the federal government.

Mr Wilkinson: That clears it up for me.

The Chair: We move to the official opposition.

Mr Tim Hudak (Erie-Lincoln): Thanks for the presentation. Certainly the United Way in Niagara—I know my colleague from Niagara Falls would agree—does an outstanding job, and I'm glad you're here tonight with this presentation on 211. In many ways our constituency offices act as 211s in their own right, so I can certainly understand the need for the service here in Niagara.

You quantify about \$1.30 per person as the annual operating cost if it were province-wide. It's about \$15 million as a whole?

Ms Thoms: That's right.

Mr Hudak: Do you have a suggestion too in terms of a more gradual rollout, a piece at a time in Niagara or something like that?

Ms Thoms: There is a rollout in our study, and it goes like this, leading up to roughly \$16 million. This is the full cost. Year 1 was \$8.5 million.

Mr Hudak: So \$8.5 million would be for the next fiscal year—

Ms Thoms: And then \$11 million, \$13.5 million, \$15 million, up to the \$16 million.

Mr Hudak: I have one more quick question for you too. The Trillium Foundation has been a partner with the United Way and in other projects here in Niagara. No doubt there will be a movement afoot to abolish the Trillium Foundation. About \$100 million a year comes to charitable institutions from the slot machine revenue. Would you support the abolishment of the Trillium Foundation or do you think it should continue as it is, or with more funds from the slot machines?

Ms Thoms: That's a hard question. We have an application right now in to Trillium to help roll out as well. Would we support—

Mr Hudak: Do you think the Trillium Foundation should be cancelled, or do you think it's doing a good job and it should continue with \$100 million in funding or more funding?

Ms Thoms: As an agency that has received two grants from the Trillium Foundation, we couldn't support its not being there. It is doing very good work here in Niagara. I couldn't speak for across the province.

The Chair: To the NDP.

Mr Prue: Just to be fair, I've been on the phone with some church people who feel that they cannot access the money, so there is another argument. Anyway, I'll leave that for another day.

For those of you who are not from Toronto, my constituency assistants use 211 every day, and it works amazingly well. When they don't know which agency deals with it, and they know a lot, they pick up the phone and someone at 211 is able to direct them almost immediately. It's a great service.

The question I have though is, you were looking for about \$3 million for the Niagara area, or that's what I heard.

Ms Thoms: No, not the Niagara area.

Interjection: For the province.

Ms Thoms: For the province.

Mr Prue: I heard \$13 million or \$15 million for the province.

Mr Wilkinson: Ultimately.

Mr Prue: Ultimately, OK. Do you see Niagara going first and other ones coming on, or do you see everyone going at the same time? The reason I'm asking that is because I think this government would have some difficulty saying that the Niagara area gets 211 but, say, Timmins doesn't or that Niagara gets it and Sarnia doesn't or—

Interjection: They can be second.

Mr Prue: What I'm trying to find out is, are you saying that everyone should have it and have it at the same time, so that if the money comes on board it comes on board so all communities can have the same service?

Ms Thoms: If you're willing to fund it to \$16 million next year, it can all come on board. The reality, however, is there's a lot of work that has to be done to bring 211 to communities, as you can well understand. Niagara and Simcoe county are looked at as early implementers because we're ahead of the rest. There are many communities working on 211, but they're in different phases. The study that was done, and you have the summary report, identified how it would roll out over Ontario in the next five years. It would be as communities came on board, because the dollars from the province are not sufficient to roll it out completely. All the communities have to have money from within their own communities. So we would have to have dollars from Niagara through our United Way, through our municipalities, plus some provincial dollars. It's a partnership going forward; it's not just the provincial government.

The Chair: Thank you for your presentation this afternoon.

CANADIAN MENTAL HEALTH
ASSOCIATION, NIAGARA BRANCH

The Chair: I would call on the Canadian Mental Health Association, Niagara branch. Good afternoon, gentlemen. Would you identify yourselves for Hansard. I remind you that you have 20 minutes for your presentation. You may leave time for questions if you desire. You may begin.

Mr Ron Wyborn: Good afternoon and thank you for permitting my colleagues and me to present this afternoon. My name is Ron Wyborn. I am the volunteer president of the Canadian Mental Health Association, Niagara branch. To my immediate right is Neil McGregor, who is the president of the Canadian Mental Health Association, Ontario division. He is also a resident of Niagara. Our technical support person is George Kurzawa, our executive director for Niagara.

CMHA Niagara branch is a part of the CMHA Ontario division. The CMHA's job is to advocate on behalf of people with mental illness and their families. We work to raise awareness of mental health issues and de-stigmatize mental illness. We also deliver a variety of community-based services to individuals in Niagara.

We do recognize that the provincial government, through your group, is seeking input from the community that will assist in determining priorities through the offering of suggestions during a particularly difficult fiscal situation. Hopefully, we will be able to demonstrate to you that what we are suggesting, in concert with CMHA Ontario, will in fact be cost-saving measures that not only meet the needs of people with mental health difficulties, but will go a long way in serving people appropriately and in a cost-effective manner.

Here in Niagara, CMHA has been active for over 35 years. Our branch has 43 staff members and 80 volunteers who provide services throughout the region, with offices in Niagara Falls, St Catharines, Welland, Port Colborne and Fort Erie. In a typical month we receive

over 600 calls, ranging from general information to specific program requests. In general, we provide housing support services to about 350 people a year, safe crisis beds to 170 per year and employment services to 80 individuals a year. Our activity drop-in centres are used by about 150 people and general counselling by 180. These services combined serve over 900 individuals.

I'm here today to tell you a story about mental illness and its impact, about the role community services play in our mental health system and specifically about the urgent need for the government of Ontario to invest in community mental health care services—services that have been proven to save lives and save health care and taxpayer dollars.

The fact is that community mental health services haven't had an overall increase in their budgets in more than a decade. At the same time, mental illness is on the rise, waiting lists are growing and, because the mentally ill have nowhere else to turn in the community, there is increasing pressure on our hospitals, police and emergency services. These increasing pressures, by the way, are more costly and are increasing what appears to be exponentially. The suggestions that both Mr McGregor and I have will not only assist dramatically in meeting the life-and-death needs of our citizens appropriately, but they are cost-effective as well. The pressures on the more expensive acute system will diminish, and they can also treat their clients more effectively. In particular, those savings will be realized not only in the health care system but with the Attorney General, the Solicitor General and correctional services via police services, the judiciary and detention centres.

CMHA Niagara has experienced a net decrease in provincial funding for core programs.

In Niagara, we know that there have been and continue to be reductions in direct staffing. We have 35 full-time-equivalent staff members and have lost four and a half staff members over the past three years to cover the costs of contract negotiations and pay equity. Each staff member may have a caseload of 25 clients, with a corresponding loss of service to 112 clients.

In Niagara, we know we are underfunded per capita by \$56.70 less than the provincial average of \$217.24, and we have a 64% shortage of service.

At CMHA, the waiting times vary from about three months to six months for some services, an eternity in the lifetime of a person, a family or a community struggling with serious mental health problems.

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I would like to provide you with an example of a real client served by our services. This example illustrates the benefit to the client and the cost savings to the province. Any identifying markers have been disguised, of course.

Mr John—not his real name—is a 40-something-year-old male who came to receive housing support in one of our apartments. At the time of referral, John was living in drastically substandard private market housing which was also financially unsustainable as his rent each month consumed approximately 78% of his income. Mr John

had received basic assistance from Ontario Works for close to two years, since his EI benefits expired following dismissal from his previous employment of 10 years. Mr John claimed that he had been laid off from his job as a dishwasher at a local hotel, but in reality Mr John was unable to meet the demands of his job due to intensifying symptoms of schizophrenia.

Despite the fact that his family doctor had made referrals to psychiatrists for him, Mr John was not being treated by either his family doctor or his psychiatrist, due to non-compliance with suggested treatment. Mr John was spending three to four hours each day at HRDC researching employment listings, but as symptoms continued to intensify, he was also becoming isolated socially to the point of having only brief and casual interaction with a handful of staff members at local social service agencies.

Mr John at this time was next to impossible, as his ability to process information, reason and express himself was severely impeded. Despite his dedication to search for work, it was clearly meaningless repetition as his state of mental health at this time was clearly interfering with every aspect of his life.

Upon receiving support, Canadian Mental Health Association Niagara staff worked intensively with Mr John to educate him on the effects of his illness, to address his income needs, to re-establish his relationship with his physician and to provide a network of support to assist him in his recovery. Today he remains in our housing program and has shown remarkable recovery in many areas of his life. He has restored his relationship with his family, and they visit him on a weekly basis. His physical health has improved. He no longer smokes or drinks alcohol. His mental health has shown incredible improvement as his level of concentration is strong, communication is clear and lucid, and personal hygiene and self-esteem are drastically improved. The cost of this intensive service was \$20 a day.

It is interesting to note that Mr John was headed for homelessness, which on the surface looks like a less costly alternative to the existing service. However, at the costing level, homelessness is associated with a variety of more expensive, albeit temporary, services such as policing, temporary hospital stay and time in detention centres. For example, our provincial detention centres cost an average of \$114 a day. Our hospital costs are at about \$384 a day. I don't know if those are the correct provincial figures, but those are the figures we use for Niagara.

There are a number of important community mental health success stories in Ontario, all fuelled by selective investments by the Ministry of Health and Long-Term Care. In Niagara, what we know now is that those selective investments have really paid off for the mentally ill. For example, research shows that community providers effectively support people in their own homes and in their own communities. This helps to relieve pressures on hospitals, emergency and police services, and in turn saves money.

There are a number of additional mental health evaluation initiatives that have been done around the province. Additional research has shown that community mental health workers reduce visits to emergency rooms by up to 60%—which is quite topical today—and hospitalizations by 86%. When people are stabilized in the community and properly supported, in CMHA it costs from \$11 to \$20 dollars a day to support one individual, versus about \$384 dollars per day in the hospital, a saving of over \$364 dollars a day. Our non-medical safe beds cost \$51 per person per day, which is a savings of \$333 a day.

The safe bed program by CMHA at the Elgin branch in St Thomas is similar to our own safe bed program. People had spent 145 days in hospital in the two years prior to the program opening. It dropped to only 14 days for the same length of time through the use of the safe bed program. At Niagara rates, this would mean a saving of \$43,623 per client. Yet the dilemma remains: due to insufficient funding, safe beds can only operate four days per week, diverting people to hospitals on the other three days when it cannot afford to pay salaries to keep its doors open.

Research has also indicated that by having mental health court workers, people charged with minor nuisance offences can be diverted from jail at \$130 per day provincially and supported in our community services at \$20 per day, at an average saving of \$110 a day. Yet the irony remains that our local detention centre is bursting to the seams with mental health clients when they could be better and more cost-effectively served in the community.

All it takes is leadership and political will. All it takes is for the Ontario government to do what it already knows it must do, what has been proven cost-effective and what everyone in the system agrees must be done. I would urge you to work with the Canadian Mental Health Association, Ontario division and its branches in investing in services that save lives, save money and make sure that the mentally ill and their families get the community services they need.

It does require some strategic thinking and planning.

As a postscript, I'd like to add that these principles are applicable not only to mental health but to other groups of people such as the elderly and the developmentally disabled etc.

I'd like to turn you over to Mr McGregor to give you a provincial perspective.

Mr Neil McGregor: Thank you. My name is Neil McGregor, and I am the president of CMHA, Ontario. Dr Barbara Everett, our CEO, is unable to attend today. She is still in Toronto and made a decision not to drive down to the Niagara area because of the weather.

We have distributed some information that CMHA, Ontario has put together. In many cases over the last couple of years we have presented this information to various government officials, but we'd just like to summarize a little bit about mental health in Ontario.

When the government of Ontario came to office on October 2, 2003, it was presented with a daunting chal-

lenge. It inherited a budget deficit exceeding most estimates. There is no doubt that addressing this deficit is necessary to run a responsible government, but the Canadian Mental Health Association, Ontario must remind the Premier and his cabinet that people with mental illness in this province are facing a different kind of deficit: a deficit of hope.

Some statistics about mental health in Ontario: It's estimated that one in five Ontarians will experience a mental illness at some point in their lives, and the remaining four will have family, friends or colleagues who have experienced mental illness. An even more staggering statistic is the fact that 70% of those people who experience mental illness will not receive the services they require for recovery.

If a society is judged by how it cares for its most vulnerable citizens, Ontario's record is sorely lacking.

If investment in community mental health services alleviates the deficit of hope many Ontarians with mental illness are experiencing, it may also serve to contribute to relieving pressure on the government's fiscal problems. Community mental health services are much less expensive, as Ron has pointed out, than services offered in a hospital, or police and other emergency services often necessary when people experience a crisis.

The following paragraph gives some of these costs. They do differ a lit bit from the ones Ron gave. These are provincial numbers, and the ones that Ron mentioned were for the Niagara area.

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Now is the time for action. People with mental illness in Ontario simply can wait no longer for the help they need to recover. The community mental health sector has been starved for 12 years, while report after report calling for increased funding has been submitted to the government—a total of 20 reports over 20 years. The last of these were the nine regional mental health implementation task force reports the government released in December 2003, shortly after taking office.

I want to skip over to the last page for a moment, and then we will have some time for questions.

The Canadian Mental Health Association, Ontario has issued a paper that they call their three priorities, what Ontarians with mental illness need. The Canadian Mental Health Association, Ontario has developed a straight-forward plan for action based on the recommendations that the government has received, that has received broad support across mental health stakeholder groups. We're asking that the government of Ontario invest \$389 million over three years in three priority areas. This is a relatively small investment, given that some estimates have placed the cost of implementation of the mental health task force reports' recommendations at close to \$1 billion.

We have suggested some of the areas that we feel these investments could take place in, and we have attached a cost that we think would be able to provide these services:

- (1) build system capacity now by investing in services and supports for people;
- (2) invest in supports for the mental health system;
- (3) identify and reward mental health programs and partnerships that work.

CMHA, Ontario is asking that the government take all of this into consideration in the very near future.

The Chair: Thank you. We only have three minutes for questioning, so that will go to the official opposition in this round.

Mr Hudak: Thank you, gentlemen, for the presentation.

The general piece that you brought with respect to the needs of the Canadian Mental Health Association province-wide indicates on page 4, under the heading "Build system capacity now by investigating in services and supports for people," "Announce funding strategies for the agreed-upon service priorities." When were they agreed upon?

Mr McGregor: I'm sorry. Your question again, please?

Mr Hudak: On page 4 of the sheets that you gave out, you talk about the "agreed-upon service priorities of housing, employment and early intervention in psychosis," for a total of \$285 million—the first bullet point in that paragraph.

Mr McGregor: You're asking when they were agreed upon?

Mr Hudak: Yes. Is it a promise of the existing government or something that is currently underway?

Mr McGregor: No. These are priorities that were agreed upon from consultations with people working—the mental health service providers, the agencies and so on. They all agreed that they think these are the most important priorities.

Mr Hudak: So \$285 million per annum, and that's sent to the top priorities?

Mr McGregor: The \$389 million over three years.

Mr Hudak: Over three years, OK. The same question I had for you: I know that I had raised the issue of the Trillium Foundation a bit earlier on. Another source of revenue for addiction treatment is the slot machines, where 2% per year is allocated into that area, specifically put aside for addiction treatment and research. Do you believe that should continue? Would your advice to the committee be that that should continue or increase, or do you feel that it would appropriate to sever that link and put that money into general revenue?

Mr McGregor: That's a very difficult question. Our concern right now is the fact that for the past 12 years there has been no increase in core funding. How we get that money put into the core funding—I'm not really sure if it's our job to suggest that it be left up to the government to decide that. What we are looking for is sustainable funding, funding that we can rely upon and that we know will provide the services required.

Mr Hudak: I guess I'm on to a bit of a theme here, because we've had some Trillium announcements that have been cancelled recently. So I'm concerned about the

future of the Trillium Foundation and some of the dedicated funds that come from gaming initiatives. One such area is gambling addiction and research. I think we have one of the most generous programs now in North America, and I expect that the Ministry of Finance will look to sever that tie, to cancel that program.

So from the point of view of addiction treatment and services, do you like the notion that there's a dedicated stream of funding, the 2% of slot machine revenue? Would you ask the committee to continue to support that?

Mr McGregor: Certainly we like the concept of a continued and dedicated source of funding. Our concern is to make sure that it is a source of funding that's stable and sustainable.

The Chair: Thank you for your presentation this afternoon, gentlemen.

LINCOLN COUNTY ACADEMY OF MEDICINE

The Chair: I would call upon the Lincoln County Academy of Medicine. Good afternoon. Kindly put your name before the committee for the purposes of Hansard. You have 20 minutes for your presentation, and you may choose to allow time for questions.

Dr Scott Wooder: Thank you very much, Mr Chairman, members of the committee. I'm Dr Scott Wooder, a family physician in Stoney Creek, and I'm a member of the board of directors of the Ontario Medical Association. I'd like to thank you for the opportunity of coming here today. I hope I keep my presentation short enough to allow time for questions.

Canadians deeply value our health care system. Year in and year out it ranks as the clear number one priority for voters in Ontario and the rest of Canada. As the government draws up its budget, it must remember this and the promises it made during the election campaign about delivering quality health care in Ontario. Wise, strategic investment in the health care sector benefits Ontario as a whole.

I don't need to tell anybody in this room that Ontario is in the grips of a doctor shortage. You read about it in the local papers, and I think you know the difficulty your constituents have in getting timely access to medical care. Over 10 years ago, when the provincial government of the day cut medical school enrolment, the OMA loudly and strongly argued against this short-sighted move. Today we see the results: fewer doctors, longer waiting lists and a system lurching from crisis to crisis. The issues are too many to cover in my short time today, but I would like to highlight the physician manpower shortage and talk about ways to bring more doctors to your constituents.

Ontario doctors are looking to other provinces and other countries to practise medicine for a more competitive remuneration package; we cannot ignore this fact. Government has repeatedly stated its desire to hire more doctors, yet we are having trouble keeping the ones

we have. If we are to retain the physicians we currently have in the system and attract new physician recruits, we need to shore up the fee schedule and once again make Ontario an attractive place to work. Government has to recognize that there is a global marketplace for doctors, and we need to make this item a budgetary priority.

Over the course of the last four years, fee increases in Ontario have not kept pace with inflation and the rising cost of running a practice. Furthermore, during the past four years, contracts reached in other provinces have resulted in a steady decline in the relative value of Ontario's fee schedule, to the point where Ontario now ranks seventh among the provinces in terms of fees. As a result, we are experiencing extreme difficulties in recruiting and retaining doctors in this province. We now have a million people in Ontario who do not have a family doctor, and this figure could double in the next eight years.

Despite the erosion of the value of Ontario fees, our doctors and the OMA remain committed to managing the medical system in Ontario in partnership with the government. The OMA has abided by the terms of our current four-year contract. We have upheld our obligations and are now looking forward to negotiating a new medical services agreement with the government.

We have demonstrated initiative and ingenuity in developing new ways to deliver care to our patients and new ways of providing payment to physicians that meet the needs of both patients and doctors.

For example, we have introduced new payment plans in co-operation with the government for emergency doctors, community service contracts for smaller towns and regions and the northern group funding plan for our colleagues working up north.

We are leading the country in our efforts to implement new primary care models.

The family health networks and, more recently, family health groups are innovative, groundbreaking models that help to extend care to patients around the clock and offer flexibility to our overworked, dedicated family physicians.

Ontario doctors have responded to these new models. As of last week, over 2,000 family doctors are caring for over three million Ontario patients with these new care models. They provide a proper reward to our frontline family doctors for the delivery of comprehensive care, and they offer the flexibility that so many of our younger doctors are looking for.

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Ontario doctors are deeply concerned about the physician shortage in this province. We are not training enough doctors to meet the current demand, let alone the future requirements of our citizens. The average age of our general surgeons in this province is 55, and there are critical shortages in virtually every specialty, from anaesthetists to obstetrician-gynecologists.

The OMA has produced strong and practical recommendations to improve the physician resource situation in Ontario. I have provided the committee with a copy of

these recommendations. They can also be found on our Web site at www.oma.org.

We are stepping up to the plate in other areas as well. The OMA has established the Ontario medical student bursary fund, a charitable fund with over \$3 million donated by our members and another \$1.5 million from private and corporate donors. This money will provide bursaries to deserving students who want to pursue a career in medicine but who are faced with the staggering costs of medical education in Ontario. The Ontario government has pledged assistance to this cause in the past but has yet to deliver on it.

We hope that the new government might embrace the spirit and commitment demonstrated by our practising doctors to help the next generation of physicians to fulfill their academic dreams and, in turn, choose to stay and practise in the province of Ontario. Ontario's doctors are leading by example, and we're not asking the government to do anything we're not already doing ourselves.

We like to create new ways to improve the health care system and deliver care to our patients where and when they need it. The fact remains, however, that the system in Ontario is woefully underfunded. Our population is growing and aging, and per capita health care expenditures are not keeping pace. Our patients need more specialized care, and there are major gaps in the continuity of care for many of our most vulnerable patients.

Wait-lists to see a family doctor or a specialist are unacceptably long. Our emergency departments are overloaded. Doctors share in the public's frustration with poor access to limited health system resources. We have cut back and consolidated in the name of efficiency. There is no more fat to cut out of the system. The end result, however, is too often increased stress for providers and frustration and fear for our sick patients and their families.

There is no more room for cutting. It is time to move beyond the rhetoric and demonstrate the fiscal commitment that we have seen in other jurisdictions to improve the professional lives of our physicians and provide the resources necessary to allow doctors to do their job to care for the people of Ontario.

Our members spend almost 10 hours a week filling out forms, many of them government forms. This is time that would be much better spent in looking after our patients. We'd like some help removing that red tape and to reward our dedicated doctors and improve the morale of physicians. We need to improve doctors' perceptions of this province.

Our negotiations with the current government to enhance medical care in Ontario are not about options and luxuries and things that can be put off until tomorrow or next year. Our negotiations are here and now.

The OMA strongly believes these talks are a watershed. Our doctors are tired, frustrated and undervalued. The patients we see are sicker and they require more time, and the support systems to meet their needs at home and in the community are lacking. There is nothing more upsetting to a physician than to have to explain to an

anxious patient or family that they'll have to wait to receive medical care that we know they should receive today.

The Premier and the Minister of Health both say that our health care system is the best expression we have of the values we share as Canadians. If this government truly believes this, now is time to do as Ontario doctors have been doing: Step up to the plate and address the real issues which are driving Ontario doctors out of the province. We can wait no longer. The time to act is now.

The Chair: Thank you. We have about four minutes for each caucus, and we begin with the NDP.

Mr Prue: Thank you very much. A couple of things: On your second page you have written, "The OMA has abided by the terms of our current four-year agreement. We have upheld our obligations and are now looking forward to negotiating a new medical services agreement with the government."

I know you probably can't speak on behalf of all of the OMA, but what is your intent in view of the fact that the Premier has come out on not one or two but probably five occasions that I have seen, asking public servants—doctors, everyone—to temper their demands?

Dr Wooder: The Ontario fee schedule ranks seventh in the country. This is a province where the fee schedule should rank first. I don't think we're in a position to temper our demands. We will not be able to retain the physicians we have here and we will not be able to attract medical students, interns and residents to set up practice in Ontario if we continue to pay the bottom third of fees in this country.

Mr Prue: Fair enough. I just wanted you to say it, because I wonder how you're going to temper your demands in view of that as well.

There is also some growing discussion—let's put it that way—about the ability of the province to pay additional monies to the doctors, hospitals, the medical profession in general, to schools to train physicians and nurses in view of the budget shortfall. There is some discussion of whether or not we need additional sources of revenue, ie, taxes, to do that or whether we continue to go along as we're going. What if we continue along as we're going, which is what one of the options is, and don't do all those things?

Dr Wooder: We can't continue to fund physicians' services at the same level at we have been. The prices will get worse. We have to improve the current situation. So maintaining the status quo in terms of physicians' services is not an option.

Mr Prue: Even if that involves increasing taxes to do it?

Dr Wooder: The way the government gets revenues to fulfill their obligations is a decision for the government. They have an obligation to adequately fund the system.

Mr Prue: I still have some more time. In terms of foreign-trained doctors, it has been said, and I have read on several occasions, that part of the impediment to foreign-trained doctors getting to practise in Ontario is

that the college of physicians and surgeons, and certainly the medical establishment, are not doing everything they can to help them get in. Can you comment on that?

Dr Wooder: The Ontario Medical Association is not a licensing body.

Mr Prue: I know that.

Dr Wooder: We don't set standards for physicians. You've quite rightly identified the college of physicians and surgeons as the body that does that. I don't want to speak on their behalf.

The Chair: We'll move to the government.

Mr David Oraziotti (Sault Ste Marie): Thank you, Doctor. Coming from a relatively small community myself, Sault Ste Marie in northern Ontario, I know first-hand the issue of physician shortages. We've seen what cutting seats in medical schools results in. It obviously didn't result in something immediately, but down the road it has obviously taken a toll on our health care in this province.

I wanted to follow up with something that Mr Prue had asked and that you indicated you don't have a position on. I actually have two questions: What role can the OMA play in assisting, or what is your position on increasing the availability or accessibility of foreign-trained physicians in this province? Do you see that as an appropriate step for our government to take in assisting to alleviate some of the critical shortages that we now face?

Dr Wooder: We certainly encourage the licensure of qualified physicians. We support that, and we will continue to do that.

Mr Oraziotti: Moving forward, we know that we need a long-term strategy to bring ourselves out of the situation we're in, and we know that training physicians is not an overnight task. What other types of strategies can you suggest that our government embark on? The obvious one—you've mentioned it a number of times—is in terms of funding and increasing seats in medical schools. Do you have any other suggestions or strategies that might help to alleviate some of the pressure?

Dr Wooder: Sure. The OMA published a paper in April 2002 which I've distributed to the committee. It has a list of 18 recommendations, including increasing medical school enrolment. It talks about licensing foreign-trained physicians. We certainly need to retain every physician who's currently practising in this province. We need to remove any barriers on the basis of age; we cannot force retirement on our physicians. We should eliminate thresholds and volume discounts that eliminate the ability of physicians to work to their full capacity. Those are some of the highlights, but there is a comprehensive list.

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Mr Oraziotti: Mr Chair, could I just follow up with one other question. In our community we have the Group Health Centre, which was highlighted in the Romanow commission report. Many physicians like that approach to the delivery of health care. Do you recommend those types of health care centres as an approach moving forward? Is that something you see as a model?

Dr Wooder: On a personal level, I've practised in non-fee-for-service payment models since 1990. I'm strongly supportive of them. The Ontario Medical Association supports the right of a physician to choose the payment model of his or her choice. We've certainly been very co-operative in developing alternate payment models—family health networks and family health groups—and our members are eagerly embracing those alternatives. I'm familiar with the model you talked about in Sault Ste Marie, and I think it's a marvellous model.

Mr Oraziotti: Thank you.

The Chair: We'll move to the official opposition.

Mr Hudak: Thank you very much for the presentation today. A couple of quick questions and then a more general one. I think one of the difficulties the opposition has had is discerning exactly what the government's plans entail. There seems to be a different idea that the finance minister or the Premier puts forward every day, whether it's intentional or not. One of the ideas they keep talking about is significantly increasing the fees that seniors pay for their drugs or delisting drugs from the Ontario drug benefit program. What's your view, as a medical practitioner, of this proposed policy by the government?

Dr Wooder: To be honest, I'm not familiar with the policy you're talking about, so I don't want to comment on it.

Mr Hudak: I'll be more clear: The Premier and the finance minister have talked about increasing the fees that seniors pay for drug benefits, and they're looking at delisting certain drugs. In politics, we call this a trial balloon. You put it out there and see how people react. So I'll put it to somebody in the medical field: How do you think that would impact patients?

Dr Wooder: I don't know the details of how it would be implemented, and I suppose it's in those details that my answer would lie. I wouldn't like to see a policy put in place that acted as a barrier to anybody getting proper therapy.

Mr Hudak: If you don't want to comment, you don't need to. Currently if seniors are over a certain income level, they have a \$100 deductible and then pay \$6.11 per prescription; the rest is covered by the taxpayer through the Ontario drug benefit program. Low-income seniors don't have the deductible and pay \$2, I believe, per prescription. The proposal would be to either raise the deductible or raise the fee you pay each time you go in for a prescription, or to delist drugs to try to control the cost in that program.

Dr Wooder: Again, it's the details, like which drugs would be delisted. There are certain drugs now that the Ontario drug benefit program will not cover or will only cover under special circumstances through a limited-use program or on special application. In my view, some of those drugs are crucial and the inability of some seniors to access those drugs has a negative impact on their care. Making a longer list of drugs wouldn't seem appropriate to me. Again, I would have to see the list of drugs.

Mr Hudak: The last question—I think I'm running out of time. We've seen an increase in nurse practitioners

going through the graduate program currently. How do you see the role of nurse practitioners developing over time, particularly with respect to working with family doctors?

Dr Wooder: I think nurse practitioners are one example of lots of other providers who work in collaborative teams, not just with family physicians but with all physicians. In my office I work with a mental health worker, a dietician and a nurse practitioner. We have a very good working relationship. We all provide skills to the team that are within our scope of practice, training and interest. One of the things that makes that possible, of course, is the funding mechanism. Certain physicians have that option. Certainly physicians who are practising in the fee-for-service environment don't have that option—not just nurse practitioners; all kinds of other allied providers. There is a tremendous potential.

The Chair: Thank you for your presentation this afternoon.

ONTARIO ENGLISH CATHOLIC
TEACHERS' ASSOCIATION,
NIAGARA SECONDARY UNIT

The Chair: I would call the Ontario English Catholic Teachers' Association, Niagara secondary unit, to come forward, please. Good afternoon. You have 20 minutes for your presentation. You may leave time for questioning, if you desire. If you would, please state your name for the purposes of Hansard.

Mr Larry Newton: My name is Larry Newton, and I'm the president of the Ontario English Catholic Teachers' Association, associated with the Niagara secondary unit. Thank you, Chair and members of the committee, for providing me with the opportunity to address you this afternoon.

As a practising teacher for some 37 years, I understand the pressures of addressing a last-period-of-the-day class. I also, secondly, thank you for that opportunity, since it's getting close to the end of your day.

The Niagara secondary unit of the Ontario English Catholic Teachers' Association represents over 500 secondary teachers employed by the Niagara Catholic District School Board. The teachers I represent teach in eight high schools—adolescent day schools as we refer to them—and five adult learning centres.

I personally am in my 36th year of teaching. I'm currently on a leave of absence so that I can perform my duties as a representative of those teachers.

Let me begin my remarks this afternoon by reminding us of the opening remarks of Dr Rozanski in his Report of the Education Equality Task Force released in 2002: "When considering Ontario's education system, the funding formula, and my recommendations, I took the following points as 'givens':

"Education advances the well-being of individuals in society and of society as a whole....

"Adequate funding of public education is a high societal priority. However, the amount of funding the

public is called upon to invest ... cannot be considered limitless.

"The education funding formula is a tool for advancing these goals."

Dr. Rozanski went on to say, "By the end of the process, however, I had refined my understanding of the goals and structure of Ontario's education system, based on everything I had read and heard. As a result, I also refined and expanded my list of principles. I believe that the process for funding public education in Ontario should be guided by the following interrelated and interdependent principles." I have listed them on page 2. My comments this afternoon will centre on the first and second of Dr Rozanski's principles; namely, the adequacy and affordability of funding in the province of Ontario with respect to elementary and secondary school education.

There have been many studies. The one I quote is *Closing the Education Gap: Benefits and Costs*, by the Rand Corp. To get a flavour of that report, I quote three paragraphs, but let me just repeat part of it this afternoon:

"The positive effect of education on individual wages and income is substantial and well documented. Far less attention has been given to the public benefits of education, ie to the fact that education is a public good whose benefits accrue not only to the individual attending school but to society as a whole. This public return to education provides a rationale for government support of education; in fact, most education, at both the JK to 12 and post-secondary levels, is paid for by tax revenues."

In a report titled *The Early Years Study Three Years Later*, the authors Margaret Norrie McCain and J. Fraser Mustard quote Heckman, the 2000 Nobel prize winner in economics when he states:

"The best evidence suggests that learning begets learning. Early investments in learning are effective. Much of the recent emphasis on lower tuition costs for college students is misplaced when the value of early preschool interventions is carefully examined."

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He goes on to say, "The returns to human capital investments are greatest for the young for two reasons: (a) younger persons have a longer horizon over which to recoup the fruits of their investments and (b) skill begets skill. Skill remediation programs for adults with severe educational disadvantages are much less efficient compared to early intervention programs."

These observations are confirmed in a further study referred to as *Assessing Costs and Benefits of Early Childhood Intervention Programs*, in which three programs in particular were studied with respect to the cost of those programs versus the benefit of those programs. I quote from the Chicago Child-Parent Centers. These studies take two distinct groups: young children who had the advantage of early intervention programs and those who did not. They indicate that over the course of a lifetime, the cost to those students who eventually become adults whose needs have not been addressed in an early intervention manner has a huge impact. The cost

in Chicago was about 3.7 to 1, and in the prenatal/early infancy program in New York it was 5.1 to 1.

Education, more than ever, is the key to a person's lifetime economic prospects as well as to making the most of one's talents and interests. Indeed, because the world is rapidly changing, while the returns to those students who are attaining a high level of education have increased, those associated with the lack of such an education have diminished.

With those comments, I believe I have set the groundwork. Let's now return to Dr Rozanski's first two principles, those of adequacy and affordability. Dr Rozanski identifies what he means by "adequacy" as he attempts to answer the question, "Is the funding formula in the province of Ontario providing sufficient funds for the goals and the expectations of that system as we've set it as a society?" In assessing the adequacy—or, to be more precise, the inadequacy—of funding, Dr Rozanski was clear. His final report contained 33 recommendations which quantified the degree of inadequacy.

To further weigh the inadequacy of funding in Ontario's schools, we turn to the annual tracking reports of People for Education. People for Education, as I'm sure I do not have to remind anyone at this table, is a not-for-profit group working in support of fully publicly funded education in Ontario. Their reports track the effects of funding and policy changes at both the elementary and secondary levels.

The first quote I have is from the most recent secondary tracking report, released in 2003, and it says, partially, "The results of this year's secondary school tracking survey show that high school has become a harsher environment for students." Likewise, their elementary tracking report for 2003, which we find on page 5, and I quote in partial reality, says that, "Results from this year's survey clearly illustrate the flaws in Ontario's education policy—it is not based on coherent educational objectives, funding is insufficient and funding is not distributed across the province."

While these comments on the inadequacy of current funding are damning, it gets worse. The Ontario Institute for Studies in Education at the University of Toronto released a two-part study that was referred to as *The Schools We Need*. In the section on adequate and flexible funding, the authors provide the following advice: "There are serious problems with the current funding of education in Ontario. First, the funding formula does not provide the resources that are needed and that are possible in Canada's richest province."

Of equal and more immediate distress are the findings of Dr Alan King, Queen's University. Dr King's reports on the double cohort paint a bleak picture regarding the large number of students who will not graduate from the province's secondary schools.

The integrity of the aforementioned commentators, combined with their irrefutable observations and recommendations, allows only one conclusion. By any definition—and, more importantly, by Dr Rozanski's own definition—the current funding as provided by the province's funding formula is inadequate.

Then we come to the question of affordability. If we have established that the funding formula is inadequate, can we afford to make up the difference? Again we refer to Dr Rozanski as he makes the observation about adequacy and affordability. In his process of coming up with the recommendations, he had 25 days of presentations and received 777 submissions. I was privileged to be one of those submitters in London. The chart on page 7 summarizes the three-year rollout of the cost of implementing the Rozanski recommendations. But the question still remains, can we afford these increases?

To get assistance in determining the affordability of such costs, we must look at the province's fiscal resources. Chart one on page 8 outlines the actual funding for education over the previous decade, from 1994 through to 2002-03, and the projected funding into the 2005-06 year. The source for that information is either the Ministry of Education or the budget that was released in 2003, with reference to paper F for any projections. We also see on the far right-hand column the Rozanski recommendations for those same three-year rollouts.

But that just tells us the funding. Can we afford it? One way of establishing the province's ability to pay is to look at the province's GDP. On page 9, I've produced a chart which does that very thing. We take the same years, and take a look at the actual amount of funding that was available for the educational system. We look at the provincial GDP in that year and then express the funding in education as a per cent of GDP. If we look carefully at the second-last column on page 9, we see that those percentages have diminished over the years. But at the same time, the province's ability to pay, namely the GDP, has increased.

It would appear from the data that historical funding levels existed in Ontario in excess of the levels required to meet the recommendations of Rozanski. Funding prior to 1999 exceeded the 3.28% of GDP required to implement Rozanski in 2003-04. In point of fact, if funding were to remain at projected levels, namely \$15.3 billion, ground would be lost in funding Ontario's schools, and that loss, compounded over the two years, would have Ontario's schools worse than the pre-Rozanski levels.

But we still have to deal in a political reality. What of public opinion? Then we turn to the Ontario Institute for Studies in Education, and they produce on a biannual basis a study referred to as the public attitudes toward education in Ontario. I've quoted three charts that indicate that over the time from 1984 forward to 2002, there has been an ever-increasing appetite for increased funding in education and, surprisingly, an increase in taxing to support that, which I'll let the committee look at at its leisure, because I want to leave time for perhaps a question or two.

In conclusion, on my last page, I'd now like to simply review what I hope I've managed to produce here this afternoon. At the beginning we were asked to consider two aspects of the funding formula: Is the current level of funding adequate to meet the objectives school boards, teachers and students are being asked to achieve and,

second, will the fiscal resources of the province bear the costs of the necessary increase?

In summary, the four points are: Dr Rozanski collectively placed evidence before us that establishes beyond a doubt the inadequacy of the current funding; historical funding levels, combined with an increase in GDP, establishes the province's capacity to pay the necessary increased costs; growing bodies of data, including those presented by Dr King and People for Education, among others, indicate the desperate state of the major aspects of our education system; and public opinion, as measured by the Ontario Institute for Studies in Education and the most recent provincial election, speak to an appetite for change in funding.

It would appear that we have no choice but to incorporate to their fullest extent the recommendations of Dr Rozanski and fund education to the levels appropriate to attend to current challenges and meet the goals of high program quality, high levels of student achievement and continuous improvement that we have set for ourselves and the young people in our charge as teachers in the province of Ontario.

Thank you again for your time and for your attention.

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The Chair: Thank you. We have about two minutes each, and the rotation starts this time with the government.

Mr Craitor: First of all, thank you very much for your presentation. I was sitting here listening to you, and I was thinking that for the last three weeks since we've been back in our ridings, there hasn't been a day gone by that I probably haven't had eight or nine groups in teacher organizations and many of the non-profit groups. I feel like I'm listening to them all over again. I'm sitting here just in amazement of what seven, eight or nine years have done to these organizations.

We as a government are trying to deal with all of them, because there are other organizations in the same position. They've gone through the last seven or eight years with a lack of funding or decreased funding. Based on what you said to us—and we've asked this of some of the other organizations—if we can't implement everything, from your perspective, what would be the best that we could put on the table?

Mr Newton: I think we have to refer to the experts who are telling us that. Dr King from Queen's University has clearly pointed out that there are severe numbers of students at risk in our secondary schools, students who, if we delay responding to their problems, are not going to be in the schools any longer.

We've always had grade 12, but we don't have the same students in grade 12. We have to address the needs as the experts identify them. It's like triage; you have to identify the needs that are there. I believe that Dr King would be a good source to find that information. His reports are public record. The People for Education have identified that; Dr Fraser Mustard has identified that in his report.

Clearly we have students at one end of the system who are crying for need, and we have needs for intervention,

identification of special-needs students, at the incoming years and even preschool. I referred to that in my report. Those would be the two areas that, in an atmosphere of reduced resources, for the short term would be the areas that I would suggest we turn our minds to.

The Chair: We'll move to the official opposition.

Mr O'Toole: Thank you, Mr Newton, for your presentation. It brings back fond memories, because I was a separate school trustee for a number of years and know how far you've come. I was there in 1982, when Bill Davis actually extended funding to the secondary panel in separate schools or Catholic schools, again when we, under the development of a student-based funding formula, fully acknowledged the Catholic school system, which you're a net beneficiary of. It's good to have you say that on the public record. I'm just reinforcing it. We've come a long way together. Maybe that's not the spin you want on this, but that's how I see it.

We've pretty well adopted or had committed to adopting Rozanski. On the spending review, I'm pleased with your presentation. I see there that it refutes all the arguments that we cut funding to education. It showed that it increased from around \$12 billion to about \$14 billion over our term of office, so people like Annie Kidder who said we cut the heart out of education aren't neutral, in my view. So it's good that you have provided clear information from the public accounts that we have increased funding for education; and equity in education too, the broader issue of including separate schools. For years, many different governments, including the Liberal government, failed to recognize that. In fact, they probably, if I could expand on that, would like to talk about eliminating—they'll probably go back to the confederated school boards. They should be working very closely to make sure they don't just amalgamate in some way.

The other part, the last part, the danger at risk: the most recent comment in the papers from the professor from Queen's—my wife's a teacher and my daughter's a secondary school teacher.

Mr Wilkinson: What's the question?

Mr Oraziotti: Is there a question in there?

Mr O'Toole: There's a question in there. As long as you're listening, you'll probably pick something up, John.

The key here is that we were very flattered in Durham, because the leader of the curriculum review committee was none other than the director of education for the Durham District School Board, Pauline Lang. All of the curriculum writers, the team leaders, all those teachers—John Snobelen did not write the curriculum. It was written by teachers. I could name you the head of each curriculum team. My question is, are you saying that the—

Mr Peterson: Time's up.

Mr O'Toole: Pardon me, Chair. The question is this, and it's a fair question: Are you saying that the teachers who wrote the curriculum did a bad job? It was teachers who wrote it, not Mike Harris.

Mr Newton: I understand the question, but—

Mr O'Toole: I'll get you the names, and I'm going to write them a letter about what you say.

Mr Newton: I'm very familiar with it, and I don't want to be argumentative, but—

Mr O'Toole: It was written by teachers, remember.

The Chair: Mr O'Toole, the gentleman is trying to answer. Go ahead, sir.

Mr Newton: Thank you, Chair.

Mr O'Toole: It's a fair question.

Mr Newton: I understood the question. I wonder if it would be appropriate for me to unqualify the earlier comments that the paper I presented this afternoon in any way supports or verifies that the previous government has met or intended to meet the costs associated with providing education in the province of Ontario. I want to be clear on the record that my purpose here this afternoon in no way supports the previous government's position, as documented on page 8, against Rozanski. I did not spend two weeks in November 1998 protesting Bill 160 and predicting these very same difficulties I'm talking about in 2004 to have in any doubt the position I'm taking here this afternoon.

Now I'd like to answer the question. The curriculum that is written by teachers and implementing that curriculum are two different pieces of work. Curriculum writing and curriculum implementation and the support of curriculum implementation are two different issues. Professionals can write curriculum, but just as we've heard all afternoon—the doctors who spoke earlier are well trained. They know exactly what to do, but they do not have the resources to meet the needs of the special patients who are in front of them.

The Chair: Thank you. Perhaps you can elaborate in a follow-up question put by Mr Prue of the NDP.

Mr Prue: I'm going to get to my question pretty fast. You have talked about the need for additional funding, and can we afford it? You've made a very good case in terms of the GDP, which I think should be highlighted and is important. In terms of our gross domestic product, we are underfunding education. But the question will have to come, and this government is going to have to determine, do they keep the promise to the Canadian Taxpayers Federation and say there will be no increases in taxes, or do they in fact do what they promised to do for education; that is, increase funding and follow Rozanski? I'm putting the question to you. I think they have a very difficult decision to make and I think it's going to be very hard on them, but I want to hear from you. Is the option of not increasing the taxes, of not having enough money to pay for the education, really on the table?

Mr Newton: I don't see how anyone could look into the eyes of the grade 12 students or the students in the junior grades and say that the responsibility of the elected government is to the taxpayers' association as opposed to those students in particular. If it's necessary, if in budget deliberations—and that's what you're doing now—it isn't a matter of reshuffling current resources, which it doesn't appear to be because of the deficit as we've seen it, then I would suggest we must turn to the area of

increased revenue, and perhaps that would indicate a tax increase.

Mr Prue: The country of Ireland has done an amazing job, coming from being the basket case of Europe 20 years ago to being probably one of the strongest economies today. It did it in a couple of ways, but one of the key ways was by putting all of their resources, or a huge amount of resources, into education, everything from preschool to post-secondary education, which today is free. Do you think that is what the government of Ontario should be doing, looking at the long term for 20 years, as opposed to just worrying about this particular fiscal year?

Mr Newton: Absolutely. As soon as they eliminate the word "cost" of education and replace it with the word "investment" in education, I think our problems are solved.

Mr Prue: Mr Chair, I don't want to take more time than I'm due. Do I still have more time or not?

The Chair: Actually, you do not.

I want to thank the presenter for being with the committee today.

Is there a representative here from Family Services Hamilton? Seeing none, our 3:20 and 3:40 deputants have cancelled for today.

1510

Mr Hudak: On a point of order, Mr Chair: I think because of the weather we had some groups that were hoping to come but couldn't arrive. Having just come through that weather myself, I can understand.

The official opposition did have some motions based on what we've heard today that we would like to put before the committee. Second, I know that time is always limited on these committees. There are more groups that want to speak than are able to do so, and sometimes, despite efforts through advertising to attract groups, other groups miss the deadlines. There are a couple of issues I want to raise as motions for the committee to consider, and, if they agree to the motion, then obviously for the finance minister to consider. I would like to move some of those motions at this time.

The Chair: You're asking for consideration of a motion?

Mr Hudak: To put a motion on the floor, Mr Chair.

Mr Craitor: Do we have copies?

Mr Hudak: Because of the time, we are scrambling to put out the copies right now. We thought we had a bit more time. That's why I raised the point of order, thinking we still had time to put them in type and distribute them. We have one, but there are some others that have not been typed up yet.

The Chair: Would you care to put the motion so that we know what it is you are speaking of?

Mr Hudak: I move:

That the standing committee on finance and economic affairs endorse the notion of a tag-sticker program for seasonal recreational vehicles as per the presentation from Sherkston Shores campground;

That the committee shall also direct the Minister of Finance to stop this government's policy of retroactive

taxation, and furthermore place a moratorium on the collection of property tax from the owners of recreational vehicles and campground owners until such time as the matter surrounding property tax on recreational vehicles has been resolved.

The Chair: The motion has been put. I want to inform the mover and the committee that generally motions of this type are put at the time of report writing, and the subcommittee has agreed to a date for that particular report writing. That is when motions of this type and recommendations are discussed.

Any other comments?

Mr Craitor: That's my understanding as well. That's how we handle it. It's a good motion and, at the appropriate time, one that we would support. I think a lot of the members around the table probably aren't as up to date as you and I on the local situation with Sherkston Shores and a lot of the other local trailer parks that have gone through this as well. It's a very good motion.

The Chair: Do you have a point, Mr Hudak?

Mr Hudak: Yes. I appreciate your concern, for a couple of reasons. First, Sherkston Shores was here today and I think we wanted to move the motion at the time of the presentation, but it was suggested that we would do so later in this session here in the Falls. I think at least one representative is still here in the audience.

Second, as the Chair knows, I have been substituted on this committee here in Niagara. I'm not a regular member of this committee, and as such I may not be there as a voting member when you are writing the report.

That's why, for those two reasons, I thought it was important to move that motion at this time. I'd also like to call for a vote on that motion at this time.

The Chair: Is there further debate?

Mr Colle: Mr Chair, as you know, there is a process of consultation that this committee is embarking on. As we go across the province, we get recommendations from presenters on things they would like the government to do, to undertake, to examine, to change. We take in those presentations, and at the end of the process, as agreed upon by the subcommittee, there is then time for the report and consideration of all the motions. That is the process we agreed upon and that committees have always undertaken in dealing with pre-budget consultations. We're going to get many more motions, many more requests, and I think we should deal with them all equally.

The second thing to keep in mind, and one of the reasons I think it's very important to follow the process, is that there are going to be suggestions or presentations made by individuals or groups that may be very reasonable on first blush, but it's important for the committee to get proper comments from the Ministry of Finance. Especially in this case here, it affects the Ministry of Finance, the Ministry of Municipal Affairs and also dozens of municipalities that were in court seeking the right to assess trailer parks.

One city in particular, the city of Sarnia, won a judgment in the Ontario Superior Court of Justice in 2002

that allowed it to assess the trailer parks outside of Sarnia—Blue Water or whatever, the famous Blue Water case. So I think it's incumbent upon us to ensure that we hear from the city of Sarnia, the dozens of other municipalities which also were in court trying to get the right to assess trailer parks and also the impact of a court decision. Are we now in this committee going to decide on a whim to overturn a court decision which gave municipalities the right to assess or allow MPAC to assess trailer parks? They won that right in the court of justice.

So I would certainly like to defer motions like this, and many are going to come, until we get some kind of input from—and I'll move a motion to defer this until the appropriate time, until we get a report back from the Ministry of Finance, the Ministry of Municipal Affairs, the city of Sarnia and all affected municipalities and also the Municipal Property Assessment Corp, so that we as a committee, before we recommend something to the government, to the Ministry of Finance, have all the information before us.

I think there is good reason why these protections of doing due diligence are put in place for this committee—not to do things that, as I've said, on first blush, seem like good ideas. I think there is a good idea here. I would like to get information and see the impact on the tax assessment base of municipalities if this tax system were put in place. But don't go there until you get the information. That's why we've got a good system in place which protects us from making decisions which in essence shut out the affected parties and give them no say in the government action.

Let's not ride roughshod over all the people who were in court, all the municipalities that had good reason, probably. I'd like to hear the reason why they took these trailer parks to court. The court decision, I think, verified they were correct in doing so. Let's wait till we get the information. At report time, we can consider all the information.

Mr Prue: I'd like to speak about the deferral, if I could, Mr Chair. This is in fact a two-part motion, and I have no difficulty in the deferral of the first part of this motion, because the first part of the deferral simply asked us for a tag-sticker program that's going to need some work.

But, with respect, I do have some difficulty deferring the second part. This is not a situation that should not be started on a resolution today. I mean, these are people who are effectively having to come up with taxes for the 2003 year after the fact. They're having to search down trailer users in parks who have long since gone. There's something inherently very wrong. I suggest that it would be very easy for this committee not to defer that and simply by changing one word, assuage all of your fears—all of them. I think what's important is to get this to the minister. This committee is not going to be able to change anything. If you simply change the word in the second part, that the committee shall also request that the Minister of Finance stop this government's policy of

retroactive taxation, then that can get right to the minister today. The minister can start acting on it, and we can have time to study it between now and March 10, when it is done. I think that would help the trailer park owners, that would help to get this rolling and it would also allow for the full development of the policy later on. But I think that it is important for this committee to send a message today to the minister that we have heard a very strong presentation that is crying out for action, that quite simply cannot wait until the budget.

1520

Mr Craitor: I just want to share a couple of things with the committee. Obviously we can deal with this and put it as a motion, and then we'll sit and wait for the reports to come out. I don't know how long that will take, but I suspect it will take a period of time.

But, as opposed to doing that, I'm going to tell you what we've already done, because this is significant. I already know that the trailer association, through the PA for Jim Bradley, has spoken to Tim. I know they've spoken to Mr Bradley today. I have already sent some correspondence up to the minister's office, indicating that I would like the finance minister—asking him to consider extending the regulation to cover 2003. As you probably know, for 2001 and 2002, they are not going to go retroactive with those taxes or assessments. I've asked them to consider applying 2003. We'll see what happens.

We're making every effort to get the information given to us today—we received it—go directly up to the finance minister. I think it's significant enough that we're doing it now, rather than sitting and waiting. We can put this on here, and we can pass it. Again, it will be two weeks, three weeks, four weeks before the report comes out. If we're going to deal with it and come up with a solution, we can deal with it in the way that I'm suggesting.

I know other MPPs who are in a similar situation—and myself. They have trailer parks that are being adversely affected. I can tell you there are people in Niagara Falls who have trailers in Peterborough. We have been trying to assist them through Jeff, our local MPP in Peterborough. So we're doing the same type of thing. We're not sitting here waiting for something to go through a committee. We've been actively trying to get the information, as I said, to the finance minister's office so they have an opportunity to look at it and determine the best way and the fairest way.

I was really excited today to see a proposal put on the floor, the tag proposal. It was nice to see the industry come up with something that maybe we can buy into. I was pleased to see that.

The Chair: As a point of information, the report should be finished by March 15.

Mr Hudak: I appreciate my colleague Mr Prue's presentation. I would agree to an amended resolution, changing the word "direct" in the second paragraph to "request." To solve problems on the government side, if the Minister of Finance or his parliamentary assistant wanted to report back to the committee in advance of the

March 15 deadline on where they stand, I think Mr Prue and I might agree to that as well.

The concern I have is that if this committee allows itself to be pushed around, we will never have an actual report back from the Minister of Finance or the Minister of Municipal Affairs; if we don't request that they come forward with these proposals they're considering, then the committee will probably never get a chance to look at any proposal other than Sherkston Shores. So either we should support the Sherkston Shores proposal or make sure that the Minister of Finance reports back on other options they're considering, so that we can put that as part of the report for March 15.

Mr Peterson: It strikes me that this is not the appropriate place for this committee to try to give the Minister of Finance specific recommendations at this point. In any legislation, he's considering sources of information, not just ourselves, but four or five others. Of course I wouldn't want to impugn motives, that they're trying to embarrass us, but for us to start directing and stopping policy initiatives, at best we should have him—I think Mr Craitor has taken most appropriate action. He said we should look at this problem, that this could be a problem for the constituency, and let the ministry that administers it come back to us at the appropriate time.

Ms Marsales: I appreciate the efficiency that's being offered by the two parties, but I'm afraid I don't agree with making a decision at this stage. I, for one, don't have enough information, and I do have an appreciation for the impact of the change on the Municipal Property Assessment Corp as well as a number of other issues it would impact on. I would like it to go through due process and I would like to avail myself of all that additional information before being put to a question.

Mr Hudak: To my point, if the government members are concerned about not having information from other sources, then let's compel those sources to give that information to the committee well in advance of March 15. If we're going to make a recommendation on what is a very real and serious issue across Ontario, particularly as we head into the summer season, it's only reasonable to assume that we would have information from those who have other proposals.

Chair, I would be willing to bring this motion back at another time if I can be guaranteed that the Ministry of Finance and the Ministry of Municipal Affairs will present other options for the committee to consider.

I just have a great concern that we'll push this off and see no action from the Ministries of Finance and Municipal Affairs. I think we need to compel them to present other options. Then the committee can judge and decide which option makes the most sense for this important employer, not only in my riding but in Ontario.

The Chair: As a point of information on Mr Hudak's comment, written submissions can be accepted until February 13.

Mr Colle: Mr Chair, the information should be complete, and I hope that as soon as the affected parties are given opportunity to give us information—we should not

preclude what they are going to say or do because in terms of fairness, again, this is not affecting just the Ministry of Finance; this is affecting dozens of municipalities who fought for a change and got it through a court action. The previous government in fact allowed the court decision to proceed, and they did not intervene. It was this government that just recently stopped and changed the previous government act in the Assessment Act, which was going to increase and include assessment of trailer parks retroactively to 2001-02. The minister, in his wisdom, said, "This is not right," and he altered that position of the previous government, which was going to retroactively cause a problem, never mind the problem they have now. So we did it for the current assessment year that was already in process. When they were in power they did not move at that time to help the trailer park owners, whom they want to help now and refused to listen to at that time.

We are going through this with our due diligence because, as I said, it's not just the ministries affected. There is an effect on taxpayers across Ontario who are in a similar situation, and these are the municipal property taxpayers who have been involved in this debate over the assessment of trailer parks for over a decade.

The courts have ruled. Before you jump to conclusions and direct the minister, get the information from the city of Sarnia, the position of the dozens of other municipalities, AMO if you want, and certainly from the Ministries of Municipal Affairs and Finance. Then you can come up with an intelligent answer based on all the information that you get from the appropriate sources.

If you just make a decision to direct the minister based on one deputation, I wonder where we'll be by the time we get through this process at the end of the month. There are rules to protect all parties so that we don't go off half-cocked like the previous government did and not listen to other affected parties. There are thousands of other affected parties here and a court judgment. So I say be cautious.

I'm moving an amendment to defer the motion until we get that information and we get input from not only the ministries but the affected municipalities to give us their assessment or their evaluation of what this would mean to them, and their comments on this proposal about this tag system. Let's get all the information on the table before we move ahead.

1530

Mr Hudak: It's a fair request to say, "Put your money where your mouth is," so to speak. If you want to hear from finance and municipal affairs, MPAC and dozens of municipalities, which municipal affairs I think could gather, why not give them a deadline so they get their information to the committee well in advance of the writing date, so that all members of the committee can read all of the information and look at the options?

If you want more information, that's fine. My worry is that you're not giving a deadline, so it could be next year when that information comes forward; it could be June. I think it's important, if we want to empower the role of

committees, that we should have that information back for all members to consider well in advance of March 15.

I'd suggest, if we're going to defer this motion, that the submissions on this issue by the Ministry of Finance, the Ministry of Municipal Affairs and MPAC should be to committee members by the deadline of February 13.

Mr Colle: The previous government had eight years to fix this problem. There were no deadlines; in fact, they allowed it to happen. Now they're asking us as a committee to put in deadlines—again, not only for the ministries. I want to hear from all the affected municipalities why they went to court and what the basis of their court proceedings were. I'd like to read the court judgment, in fact. I would like to hear from those mayors. I would like to give them that opportunity in due time. Again, this is part of our process of giving the minister the full package of information and recommendations at the beginning of March.

It is not for this committee to put deadlines on things. We have a deadline, and it's part of the subcommittee report. That's what we agreed upon. If we start making off-the-wall, half-cocked rules on every presentation, you can imagine where we'll be at the end of the month or going into February and what kind of integrity we'll have in the process.

Mr Wilkinson: I just want to comment on the fact that the people from Sherkston Shores came here today, and that they tried to come up with a better way to solve what they feel is an inequity is wonderful. That's what this committee is for. I think it's the first time in years that the government of the day has gone to people and said, "Here's yet another avenue to come in and give us input."

But for this committee to direct the Minister of Finance—this committee advises the Minister of Finance. We don't direct or tell the Minister of Finance what is government policy. We are a committee. I think it's important. Knowing full well that a representative of the Ministry of Finance comes with our committee, I'm sure that very competent person would make sure that this issue is in front of the minister. That's the way our system works. But we shouldn't preclude what it is that this committee is supposed to do.

I agree with Mr Colle that we have to be very careful that we're not just swept up with the moment and not giving the minister the best advice we can as a committee by hearing all sides.

Mr Hudak: I think it's very simple. There are members of the committee who have been around longer than I have. I think we all know that when the budget is brought forward, that basically commands the government's priorities for the upcoming fiscal year, and I think this committee plays a very important role in giving advice to the Minister of Finance on what that budget should contain.

I think this is a very important issue, and it seems like all members of the committee agree this is an important issue. Therefore, if we're going to make a recommendation, as this committee has been charged to do for the budget, it seems reasonable that we should do so based

on information that we have by that February 13 deadline.

I don't think I'm asking for something that's out of this world. The committee members are interested in this policy change. They recognize there's a problem. We have a report to write and submit, I think by March 15. So why is it unreasonable to ask for the involved ministries to give us their submissions on this particular topic so we can give an informed recommendation to the Minister of Finance in charge of this budget? I worry that without any kind of time frame we'll be battling this one about for years.

I would agree to deferring the motion, provided I can be guaranteed that all members of this committee will get a report from the Ministry of Finance, municipal affairs and MPAC as to what other options exist to solve this problem. Then we can decide, with full knowledge of the issue, whether the Sherkston request is the best one or if it can be changed.

The Chair: As a committee, we can request the minister to provide information.

Mr Wilkinson: When the person making the motion wants to defer.

Mr Hudak: I'm trying to find something that you guys will agree to, because I want this to be considered. You suggest that you're interested in this but you need more information. So I say let's get the information. I would suggest we request the Ministry of Finance, the Ministry of Municipal Affairs and MPAC to deliver us their views on policy and options in advance of the February 13 deadline.

Ms Marsales: On a point of order, Mr Chair: One of the deputants is here, and she has driven a long way. Can we get on with this hearing?

The Chair: Members want to debate the issue that's on the floor, and that's what we must deal with now.

Mr Hudak: On a point of order, Chair: We have a series of motions, one on top of the other. The first one, which will influence how Mr Prue and I vote on subsequent motions, will be my motion that the committee request the Ministry of Finance, the Ministry of Municipal Affairs and MPAC to present options on the Sherkston Shores issues before the February 13, 2004 deadline.

The Chair: Now you have another motion, Mr Hudak. Are you withdrawing your first motion?

Mr Hudak: I'm trying to find a compromise so I can get movement on this particular file, so I can examine it.

The Chair: You have the right to withdraw your first motion if you so choose.

Mr Hudak: The first motion is my preference, but if the government members want more information on this particular issue, then I suggest that we compel those ministries to do so before February 13.

The Chair: Further discussion?

Mr Craitor: For the benefit of the committee, I don't need a motion. I'm not going to support it, because I'm not going to sit back and wait till the 13th. I'm pushing it forward now, Tim. I know you're sincere about this, just as I am. The same as you, I'm doing everything I can

think of, talking to other MPPs who are affected and asking them to get in touch. I have expectations that the minister will come up with a solution on this. We've got one option. I don't need to wait for them to do that.

The Chair: For the information to the committee, I'd like to read standing order 106(d):

"Standing committee on finance and economic affairs which is empowered to consider and report to the House its observations, opinions and recommendations on the fiscal and economic policies of the province and to which all related documents shall be deemed to have been referred immediately when the said documents are tabled."

So we are now dealing with the amendment to change the word "direct" to "request."

All those in favour? Opposed?

Interjection.

The Chair: We are dealing with the amendment to change the word "direct" to the word "request" at this point.

1540

Mr Craitor: Can you read the motion?

Mr Hudak: Recorded vote.

The Chair: All in favour of the amendment?

Clerk of the Committee: Mr Hudak, Mr Prue.

The Chair: All those opposed?

Mr Orazietti: Mr Chair, on a point of order: The first motion has no date on it. Is there a date on the first motion, and can I ask that the first motion be read?

The Chair: The motion on the floor is to amend the word "direct" to "request."

Mr Orazietti: There is no particular time frame here. It's simply to request information from the ministry? Thank you.

The Chair: We will start over. The amendment is to remove the word "direct" and to replace it with the word "request." We're going to do the vote again, Mr Hudak.

The amendment is to remove the word "direct" and replace it with the word "request."

Mr Hudak: I so move.

The Chair: It's on the floor. Recorded vote.

Ayes

Craitor, Hudak, Prue.

Nays

Colle, Marsales, Orazietti, Peterson, Wilkinson.

The Chair: It is defeated.

Now to the main motion, which is the original motion without change. Recorded vote.

Ayes

Hudak.

Nays

Colle, Craitor, Marsales, Orazietti, Peterson, Prue, Wilkinson.

The Chair: The motion is defeated.

Mr Hudak, would you care to restate your prior motion for the benefit of the committee, without change?

Mr Hudak: Of course: That the committee request the Ministry of Finance, the Ministry of Municipal Affairs and MPAC, the Municipal Property Assessment Corp, to submit by the February 13 deadline their views on the Sherkston Shores request, the government's position on the Sherkston Shores request.

The Chair: Any debate? Seeing none, all in favour?

Ayes

Craitor, Hudak, Prue.

Nays

Colle, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Mr Colle: With unanimous consent, I would like to put a request on the record, to direct that this submission by the deputant, Sherkston Shores campground, and its request to introduce a tag sticker program for recreational vehicles and also the request of the campground to ask the minister to stop this policy of assessment, be referred to, first of all, all the affected municipalities for their comment, especially the city of Sarnia, through the Ministry of Municipal Affairs; that we get comment on this request by the deputant, as per the motion; that we get comment back from municipal affairs, from the Ministry of Finance and all the affected municipalities, to be forwarded to the committee for their deliberation, by the procedures as outlined in the subcommittee, as per normal.

The Chair: One moment.

Mr Colle has put a new motion before us requesting information from—

Mr Colle: —comment from all affected municipalities, especially the city of Sarnia, in regard to the request by this campground, as per the deputation, on those two requests they made, from all affected municipalities and municipal affairs, MPAC and the Ministry of Finance, and have those comments forwarded to the committee for their consideration.

The Chair: Any debate?

Mr Hudak: I appreciate my colleague's request for more information, which is fine. I think all members should consider information. They may not have this issue in their riding, as I do.

The only request I have, and maybe I missed it, is, are we putting a deadline on those responses so that the committee can consider them and make a recommendation in time for the budget?

Mr Colle: Yes. That's assumed.

Mr Hudak: Maybe we could be clear, Chair, on the time frame when we're asking these groups to report back to the committee.

The Chair: An amendment for clarification of the date could be put by any member of the committee.

Mr Colle: We could say, "As required by this committee to make a submission to the minister."

Mr Prue: Which is? Just say it out loud.

Mr Colle: I don't want to, because the problem, Mr Prue, is there may be some municipalities that may not be able to meet that date. That's why I want to leave that date open. I want to consider their input. I don't want to shut them out.

The Chair: My understanding is that the motion would have no date put to it unless it was amended.

Mr Colle: Right.

1550

Mr Hudak: I appreciate that we want to hear from municipalities that are affected. It's a fair point. I think it's important for the committee to be clear as to what that date should be, so municipalities can act toward that. I have a concern, as I think my colleague Mr Prue does, that if you leave an open-ended date, the committee won't be able to make a recommendation on it. If my colleague has a date that he wants to recommend—if not, I could move an amendment to the motion for a date. But in the interest of a compromise date that he wants to—

Mr Colle: If they don't make a submission, they're not considered. If they're going to be asked to make a presentation, the onus is on them to make the presentation if they have an interest.

Mr Prue: But do you not at least advise them of the subcommittee date?

With all due respect, you send off and ask Sarnia for information, but you don't tell them there's a date. So Sarnia, sometime in April or May, gets around and sends you a report. Of what value is that to the minister or to this committee? I don't know that. I think that to be fair to these groups, the committee must have input by February 13 as to the subcommittee process and that we will be writing the report on March 10. That's the reality, and if they can't submit it by then, they're not going to be considered at all. They need to know that.

Mr Colle: Again, I want to give them every opportunity to inform and advise committee. We don't make a final report that's submitted until the 10th.

Mr Prue: So put down March 10.

Mr Colle: March 10? I'm not going to play with dates.

The Chair: The report writing is prior to that date, I do believe.

Ms Marsales: On a point of order, Mr Chair: It is five minutes to four, and one of the deputants has driven in nasty weather to be here and make a presentation.

The Chair: I understand your concern, but we have to deal with this matter put on the floor as it is—

Ms Marsales: Are we prepared to stay and listen to this?

The Chair: —unless we were to have unanimous consent to come back to this issue after we've heard from those who might be here.

Ms Marsales: Agreed?

Mr Hudak: No.

The Chair: I didn't hear a request for unanimous consent to do that. Do we have unanimous consent to hear the deputants who are in the room presently and then come back to this issue?

Mr Colle: Agreed.

Mr Hudak: No.

The Chair: I heard a no.

We're just checking the subcommittee report. March 10 would be the date that the report is written.

Mr Wilkinson: Two points, Mr Chair: It's incumbent upon our committee that if we're asking people to give us information, they're aware of the process and that we can give them a copy of the subcommittee reports, that they're aware of the time frames that we're under. Also, I would add that the other ministry that's affected by the request is the Ministry of Transportation. That's part of their presentation. So if we're going to get the ministries involved—finance, municipal affairs and also transportation—they would add some valuable input to this committee.

The Chair: With the report being written on the 10th of March, as I stated, it would, however, be very difficult to incorporate new information on that date. The committee might want more information. I put that to the committee.

Mr Hudak: Really, there's the February 13 date we've already discussed. That seems to have some support. I understand there's a possibility until March 10. You make a good point that that's when the report is to be written. Is there a compromise date between February 13 and March 10—say, March 1—that will meet with committee members' approval?

Mr Wilkinson: In the committee report it is clear that written submissions to this committee need to be submitted, I believe, by February 13. That's a fact.

Mr Hudak: I'll accept that. Fine.

The Chair: It is correct that the written report must be in by February 13.

Mr Hudak: I move an amendment, in light of the most recent discussion, to Mr Colle's motion that indicates the date would be February 13.

The Chair: An amendment is made to Mr Colle's motion that the information requested be reported by February 13. Any debate?

Mr Colle: Just remember that part of the changes that are made by government in this deliberation over the budget deal with the time frame of this committee. It doesn't preclude any information coming after that date proceeding to the minister for his consideration. That's why I don't want to put a date there, so that you don't say that one submission is illegitimate and the minister shouldn't consider it after the fact. That's why I'd leave it open-ended.

Mr Hudak: I appreciate the point. I don't think the committee is trying to limit when people can send submissions to the Minister of Finance for his consideration, or any other ministers. I think what we're trying to say is, because this committee has to write a report by March 10, if the committee is to make a decision and advise the

minister on this particular issue, any submissions for the finance committee's consideration should be in by February 13.

Mr Colle: We'll deal with all the best available information by that date. We do that anyway. So why do we need the motion?

The Chair: Is there further debate on the amendment to incorporate February 13 into Mr Colle's motion? Seeing none, all in favour?

Mr Craitor: On the date only.

The Chair: On the amendment, yes, which includes the date.

Ayes

Hudak, Prue.

Nays

Colle, Craitor, Marsales, Orazietti, Wilkinson.

The Chair: The amendment is defeated.

Back to the main motion. Further debate?

Mr Hudak: Just a request, through the clerk: The motion as Mr Colle has described it, what date does that compel submissions by? He mentioned in his motion something about the subcommittee report.

Clerk of the Committee (Mr Katch Koch): There isn't a date for that motion. Basically it's just asking the ministries and MPAC to provide information to the committee.

Mr Hudak: I'm trying to find a date here, Chair. Then I'll move an amendment to Mr Colle's motion for the date to be March 8, 2004.

The Chair: Further debate on the amendment?

Mr Prue: A question to the Chair: Would this require unanimous consent? I believe this has already been negotiated and is already part of the subcommittee package that has been adopted by this committee. February 13 was the date agreed upon by everyone.

The Chair: We'll take a five-minute recess.

The committee recessed from 1600 to 1606.

The Chair: Recess being completed, I call the committee to order. Mr Prue has asked if we need unanimous consent on Mr Hudak's motion to ask that the date of March 8 be put in place. Mr Prue is correct that we would need unanimous consent, because it would change the subcommittee report.

We would need unanimous consent. I remind the committee that the public knows that the last day for written submissions is February 13. So we would need unanimous consent for Mr Hudak's motion.

Do we have unanimous consent?

Mr Prue: No.

1610

The Chair: I heard a no. The motion is struck.

Now we're back to the main motion put by Mr Colle. Further debate?

Mr Orazietti: On a point of order, Mr Chair: Given the time deliberating this particular issue and given that we still have another presenter to hear, I ask that, without

further debate, the existing motion as it stands be put, that the question be put.

The Chair: A request that the question be put. All those in favour of the motion? All those opposed? Motion carried.

Mr Hudak: Is that a unanimous consent motion?

The Chair: No, you do not require unanimous consent. Mr Colle's motion has carried.

Mr Hudak: I don't think we voted.

The Chair: We voted.

Mr Prue: With respect, it was to put the question, and the question can now be put.

The Chair: No. The request was to put the question. The Chair put the question, and you voted. There is no debate on Mr Oraziotti's motion. I put the question.

Mr Prue: With respect, somebody just can't say, "I want the question put," without the committee agreeing. It requires a motion to put the question. The rules of order are quite clear. It requires a motion. If two thirds of those present vote, then it can be done. It is the committee that closes down debate, not the request of one member. If this is what can be done from now on, I'm going to ask that we put the question. We're going to put it whether anyone wants to speak or not, if that's the way it's going to rule, because I'm going to do this from now on.

The Chair: Mr Prue has good advice.

Mr Colle: He was a step ahead of you.

The Chair: I stand corrected. What you voted on was Mr Oraziotti's putting the question, and it carried.

Now we vote on Mr Colle's motion. All those in favour? All those opposed? Mr Colle's motion has carried.

Mr Hudak: On a point of order, Mr Chair: I do appreciate we have another presenter, and given the inclement weather—as I mentioned a bit earlier, there are other submissions or groups that may have been interested in submitting that haven't had a chance yet. I have a couple of motions to reinforce those points of view that I would like to put on the floor. Whether we vote on them today or we vote on them down the road, I think it's important that these things be voted upon by the committee.

Mr Colle: On a point of order, Mr Chair: We've had a deputant come in this inclement weather, waiting here for an hour now. I think it is really incumbent upon us to give that deputant an opportunity to make their presentation. Then we can deal with the member's attempts to put things on the record and his right to do so, which is fine. But as a matter of courtesy, I hope that we allow the deputant to make a presentation.

The Chair: Do we have unanimous consent to hear the deputant and then return to the issues that other members might have? Agreed.

FAMILY SERVICES HAMILTON

The Chair: I would call forward Family Services Hamilton. Good afternoon. I apologize to you for the committee work that was going on prior. I appreciate

your waiting and your coming to give the committee your good advice.

You have 20 minutes. You can use that time for your whole presentation, or you might allow some time for questions. I would ask you to identify yourself for Hansard. You may begin.

Ms Christine Lasebnik: Hi. I'm Christine Lasebnik, and I am the treasurer on the board of Family Services Hamilton, so I am a volunteer.

I am reading this report that was prepared by our executive director, LaFerne Clarke. She sends her regrets, but there was just no way she could make it today. We wanted to be heard, so I decided to jump right in there. Without further ado, I'll begin. If you have questions afterwards, I'll address what I can.

An agency in need and typical of the network in Ontario.

Right now in Ontario, 28,000 low-income families are so economically and socially disadvantaged that they are unable to help themselves or their children become fully participating, contributing, independent members of their communities. Trapped within a pit of poverty, they are experiencing first-hand the results of family breakdown.

Why can't they get help? Because Ontario has a two-tier system of support services for families, one for those who can pay and another for those who cannot. The 28,000 families who cannot pay for the counselling services they so desperately need and want represent 16% of 450,000 low-income families in Ontario who are the most vulnerable. They are most at risk of spousal and child abuse, child neglect, adult and children's lost potential, academic underachievement and failure, substance abuse and addiction, social isolation and unemployment. And they have the most to gain from a very small amount of help from you and me.

However, due to the situation we find ourselves in—helping the needy without adequate funds and at the same time looking at deficits that threaten our existing funding sources, all of them—we find we have been laying off staff. At the same time, we have our staff working up to 60 hours a week just to keep abreast of the work. That's not a typo. We're laying them off, but they're working more hours than they're actually being paid for. This is not good. Volunteers are burning out as they try to fundraise with limited staff and resources. I, for one, can vouch for that. I volunteered to get some enjoyment out of life, and it's been really stressful. But we are dedicated to helping the families in our community, and that's why we're still here, stress or not.

Donors are now experiencing fatigue, and the event has to be unique, catchy and unusual to bring in the dollars. Yet there is the perception that the non-profits are not efficient, are wasting money and need to be more streamlined. How many hours a week can an executive director work before she experiences family breakdown herself? This is true in all the social services. I've received e-mails at 3 in the morning. I mean, this is getting to be a bit ridiculous.

The era of fundraising as a cash cow is gone; she has been milked to death. Non-profits are now competing on

a hierarchy of needs with hospitals, schools and other non-profits for funding, grants and fundraising dollars. The sector is milking the public, so we ask that the government acknowledge that capitalism has a fallout endemic in its system and that we look after the ones who are intrinsic to that fallout. We cannot help others to the best of our ability if we have to focus on fundraising ourselves.

Family Services Hamilton is one of 48 family service agencies in Ontario. These agencies are the primary providers of community-based social support services. Serving more than 250,000 people a year, their central role is to strengthen the health, safety and well-being of families and communities. Family service agencies work closely with and are part of a network of other community partners, including schools, children's aid societies, health care providers, Ontario Works, the United Way and employers, to bring coordinated solutions to families who need help.

Family Services Hamilton, like other family service agencies, offers a comprehensive mix of public and private services such as a therapeutic integrated child care centre for children with disabilities and other marginalizing factors, second-stage housing, family emergency shelter, services that help negate and help women recover from violence, seniors' services, counselling services for people with disabilities, employee assistance programs, immigrant services, support for survivors of sexual abuse, credit counselling, parent education, and individual couple and family counselling.

1620

How did these families get left behind? Government priorities, policy changes and funding decisions have led to a system starved of resources. In 1995, government funding for family counselling services to family service agencies was eliminated. The funding for seniors was trimmed, the funding for child care was cut back and the money for second-stage housing withered. At the same time, individual families were attacked as many of the supports they relied on were also cut. This attack on families was waged on many fronts, including a 28% decline in social assistance rates, a minimum wage freeze and lack of regulated child care spaces and affordable housing. All this caused us to be a wizened, withered, battered and abused sector.

The outcomes are predicable. Without support, women are forced to go back into unsafe family situations because they are trapped by income and housing needs. Children with behavioural and learning difficulties in care are at high risk and in schools are at high risk for school failure, substance abuse and anti-social behaviour. Studies show that individual, couple and family stress is one of the leading indicators of the breakdown of physical health and increased usage of hospital and physician care. Low-income, at-risk families are the highest users of medical care through physicians, drugs and hospitals. While you're cutting somewhere else, it's becoming more expensive in other areas.

In short, families who need help the most are forgotten. Instead, there was a focus on project grant

funding. Project grant funding is short-term and does not provide the infrastructure needed to have outcomes that address the needs of a large population. It does not address systemic issues, nor does it provide the type of help needed in a situation where there is a layered problem.

For example, a woman who is homeless because of mental health issues: Her presenting problem may be homelessness, and the need is immediate, but as long as she has diminished mental capacity, she is still at risk of being homeless. She needs help, not a quick fix, and so a mix of solutions as you unravel the case is needed. She needs help with budgeting and money management. She may not understand that the abuse she suffered as a child now also holds her in mental bondage. If she is a parent, she does not realize that there are unhealthy patterns she absorbed as a child that will affect her parenting style, and so she needs to pay attention to her parenting. Having her come to six sessions in an outreach group does not solve her problem. She needs more help, she needs long-term counselling, she may need help with money management on a one-to-one basis—not in a group—and she may need to enrol her child in our therapeutic child care program, where she can learn coping strategies and break negative patterns.

The help she needs is multi-faceted, and today's Ontario does not do a good job of providing it for her. Family service agencies provide multi-faceted help, and we make referrals when we see that more help is needed. You need to support us so that we can support her.

Family Services Hamilton acknowledges the fiscal challenges faced by government and the very difficult choices that will have to be made as it tries to walk the fine line between managing the deficit and the needs of Ontarians. However, Ontario needs a very small investment in prevention, early intervention and remediation services for low-income, at-risk families. This investment will make a huge difference in the lives of over 28,000 high-needs families over the next four years. We are encouraged by your commitment. Hopefully, the fall election signalled a new attitude toward families. We were encouraged by the Liberal government's commitment in its election platform to make Ontario's 28,000 vulnerable families a priority.

In a letter to Family Service Ontario, Dalton McGuinty promised that his government would "listen to the concerns and advice of social service agencies and providers and allocate resources according to the best advice." Furthermore, the Liberals said they would "consult with family service providers and seek their advice on where resources need to be allocated. We are committed to addressing these funding needs during our first mandate."

The solution: Family service agencies need an immediate investment of \$4.6 million. For example, Family Services Hamilton: \$150,000 in base funding in 2004 to help 7,000 families improve their lives.

We at Family Services Hamilton are facing a deficit this year which will impede our opportunity to continue to obtain our core funding from other funders such as the

United Way, MCSS and the Ministry of Health, because they do not want to see a deficit.

Family Services Hamilton and Family Service Ontario want to work in partnership with government to find a long-term solution to helping another 21,000 families take the steps they need to help themselves and their children. We need to focus on prevention as well as immediate emergencies. We need to cut the fundraising crisis in our agency, so that we can begin to see the forest and not just the trees.

The Chair: Thank you. We have about three minutes for each caucus. We begin with the official opposition.

Mr Hudak: Thank you very much for your presentation. I thank you for your patience as well with our last administrative item.

In your second-last paragraph, you talk about the commitment that the existing government had made to you in the run-up to the election campaign. Were they specific on particular areas where they would address funding needs?

Ms Lasebnik: I believe they were specific in second-stage housing for abused women. That area for sure I'm aware of.

Mr Hudak: That's important, because one thing that at least the opposition parties will say is that the government should make good on its promises, that if they committed something in the election campaign, they should deliver on that. I think part of this process is to try to quantify the extent of the promises they made.

Do you have any idea how much that commitment to second-stage housing would be, sort of a ballpark, even for your area, that we can quantify across the province?

Ms Lasebnik: In our area, in Hamilton, just to give you an idea, the program is about a \$300,000-a-year program. We have 30 units we're trying to sustain. We get \$35,000 of core funding from the municipal that may not come back. In terms of dollars, we expect to have to fundraise some of that, but to fundraise the sustainability of a program that doesn't even scratch the surface of the needs is really tough. We're willing to take whatever they want to give. We realize that there's a lot of other programs that need the funds as well, so we're willing to go to the table and work on this. I'm not going to give you a dollar value.

Mr Hudak: The general base you're looking for, for family service agencies across the province, is about \$4.6 million, the estimate of the request for this upcoming fiscal year—annual.

The last question I have for you: Has your agency worked with the Ontario Trillium Foundation? Have you received any grants from them?

Ms Lasebnik: Yes.

Mr Hudak: What's your view of that program?

Ms Lasebnik: I've been on the second-stage board, actually, now family services, for a couple of years. In my experience, we've had a little bit of funding from them. I don't really have a pro or con view on them.

Mr Hudak: One concern I have is that we've had a couple of Trillium Foundation announcements cancelled here in Niagara recently. As you probably know, \$100

million in revenue from the slot machines goes to the Ontario Trillium Foundation. A lot of groups in the social service area do receive grants from the Trillium Foundation. So I was curious if you had an opinion as to whether the Trillium Foundation should be continued or if it should be abolished.

Ms Lasebnik: Off the cuff, I would say it would need to be continued. It's a source of funding.

Mr Hudak: Thank you, and again I appreciate your patience.

The Chair: We move to the NDP.

Mr Prue: Dalton McGuinty promised in a letter prior to the election that he would consult with family service providers to seek their advice on where resources need to be allocated. Other than today, have you been contacted at all?

Ms Lasebnik: We didn't wait to be contacted. We have sat down at the table and had meetings and have meetings scheduled in the future with each of our Liberal representatives in Hamilton.

Mr Prue: So you've gone out and done that yourself.

Ms Lasebnik: And we are getting a very good reaction. You don't need to invite us.

Mr Prue: No, no. How many dollars have been committed?

Ms Lasebnik: We don't have dollars committed. This is not part of the process of getting dollars—

Mr Prue: OK. They know your problem, but they haven't committed. Have you asked for a certain amount from your—

Ms Lasebnik: No, I have not. I thought this was the process of asking for a certain amount, but we have a feel that they are committed in our area.

Mr Prue: Have they indicated to you—because this is the conundrum I think many of them are going to have. They've also committed to not raise taxes.

Ms Lasebnik: Yes. I'm an accountant, by the way.

1630

Mr Prue: Yes, I know. We know they want to help you; we just don't know how they're possibly going to do it. You, being an accountant, can understand.

Ms Lasebnik: Exactly. As we said, there's only so much money to go around. We're willing to come to the table. We feel it is a mandate and a priority of the Liberal government; we expect it to be. We're realistic as well. There's only so much money to go around. So we need more and we're willing to go to the table and roll up our sleeves and work on a proposal where we can improve on our programs and everybody can be happy. It's easy just to put your hand out. In my community, by the way, we are getting together not just family services but all the social services organizations. I just had my first meeting yesterday. We tend to, as a group, work on promoting ourselves and efficiencies and coming to the table.

Mr Prue: If this government is not able to come up with money unless they raise taxes, what's your position on that?

Ms Lasebnik: As a taxpayer—well, I want to see what happens. I'm not really thinking in that regard. Of course, no one likes taxes raised, but I'd like more

information. I'm not a political person. I don't even like this whole format, but—

Mr Prue: I don't blame you, watching today.

Ms Lasebnik: I'm glad it's not my job. As an accountant, I would just like—I don't know. As a personal opinion, why are so many things hidden? We got a balanced budget, but then we have a big deficit. That doesn't make sense to me. So I tend to educate myself, in moving forward, on how these things happen.

The Chair: We'll move to the government.

Mr Craitor: Again, thank you for your patience. I'm a new MPP with the government. Let me just quickly ask you, why are you in this financial situation. Did you do something wrong? Did your organization do something wrong that put you behind the eight ball like this? What happened?

Ms Lasebnik: Did we do something wrong? No. We are just trying to sustain the programs that we have in place. I was previously with second-stage. That was taken in 1995, all the funding. As a result, we had to merge with family services. But we don't get any sustainable funding. We are working hard to save these programs where we don't get the sustainable funding through fundraising. The United Way is suggesting they might cut back some of our funding in our core programs. We're doing OK in the programs where we have sustainable funding. We can't grow, though. If we can't fit the need, we can't grow. So no, it's not anything—and as an accountant, looking at the books, it's not anything we're doing wrong. It's a fact that we just don't have the funding in order to run the programs properly and have the foundation in place for growth, which is badly needed.

Mr Craitor: So what you've said to me is the government, whoever they might have been, put you in that situation. I think that's what you've said to me. That's good. Thanks.

Interjections.

Mr Craitor: I was saying to my colleagues that every day this is what goes on in my constituency office, exactly what you see going on, and I'm sure you're all in the same position. Every day there's an organization that comes in, and I say to them, "What happened? How did you get in this situation? What did you do wrong? What could you have improved?"

Their answer is, "We didn't do anything. It's just the way that we haven't been funded." I just wanted to be sure that you were in the same situation.

Most of us around the table have asked this question of all the presenters: If there was a fix and we couldn't give you everything you wanted, what would be something that might get you by for the year or for a period of time?

Ms Lasebnik: Just speaking for Family Services Hamilton, to get us by, \$150,000. We're not being greedy.

Mr Craitor: You certainly aren't. Thank you.

The Chair: Thank you for your participation today, and thank you very much for your patience. We appreciate it.

I believe those are all the deputants that are in the room currently.

Mr Hudak: Mr Chair, I had some motions that I wanted to put before the committee reflecting some concerns that are here in Niagara that presenters may not have had the chance to present upon, but I want to put them on the floor for debate.

The first has to do with the Ontario wine industry. I think we all recognize that's a major employer in Niagara and in the province of Ontario. Also, the success of the Ontario wine industry helps preserve the viability of the unique agricultural land we have here in the peninsula. I don't mean to belabour the point, so I'll get right to my motion. The motion reads as follows:

"That the committee recommends that the Minister of Finance reject any proposal to raise taxes on Ontario wine."

The Chair: I'll read the motion once again:

"That the committee recommends that the Minister of Finance reject any proposal to raise taxes on Ontario wine."

Further debate?

Mr Prue: I have a question. Has there been a proposal to do that? This is in the negative. This is to reject something that exists. I want to know if it exists before I vote for it.

Mr Hudak: I think those in the grape and wine industry have a concern that when governments in general try to remedy a fiscal situation, they often look to increasing taxes. One tax they may consider increasing would be on wine, spirits and beer. Particularly from the viewpoint of the Niagara economy, the wine industry would be dramatically negatively impacted by an increase in taxes on Ontario wine. I remember the government committing that they would not increase taxes as part of the election campaign. I think it's important that the finance committee send the message to the Minister of Finance that he should not contemplate any increase in taxes on Ontario wine.

Mr Colle: I think we can all pass a series of general motions of this nature. It may sound good at first blush, and some are motherhood, but I think we should defer them to our writing stage and consider them at that time. I think that's usually the appropriate place for motions. At this time, for us to come to a decision on the implications of this or the process would be pretty difficult, I think.

Mr Wilkinson: Being a rookie and being new, I would think that if a local member had input for this committee, we would make time to hear a deputation from that member. It would be written out, like the other people who come here, who take the time and understand that we're meeting here today. They wouldn't come in at the last minute, throw some stuff on the table that's not written out. Instead, they would be concerned about their riding. They'd come here and say, "This is important that we get the message of my riding and this region out." So I'm just surprised where this kind of process goes for consideration. I don't feel I'm getting the information required.

Mr Hudak: I appreciate the lecture from a member who has been with us for three months on how to conduct the affairs of my riding.

It just seems very straightforward to me. The Dalton McGuinty government committed that they would not increase taxes. It seems to me that we would want to nurture the economic viability of agricultural land here in the peninsula, particularly on the wine industry side. If the committee wants to debate a further motion about inviting the Grape Growers of Ontario or the Wine Council of Ontario to make a presentation at a later date, I'd enjoy that debate and would certainly support such a motion. But I think it's important to put this question to ensure that we send the right signal to taxpayers that we're not increasing taxes in the province, and secondly, to the Ontario grape growers and the wine industry that the government continues to support that industry.

Mr Craitor: I think Mr Hudak wasn't here earlier this morning, but we had a number of organizations, groups and individuals who said it wasn't necessary to raise taxes to bring the social quality back to this province. That's something the government should look at.

We're sitting here and just grabbing on to this, but this morning we had other people who expressed opposite views. I'm certainly not saying the wine issue should be affected.

1640

Mr Hudak is quite knowledgeable and, to his credit as the Minister of Tourism, has been extremely active in the wine industry. I think both of us said to each other that we were going to work together on things that would be of benefit to that industry. I think he knows that I'm not going to be sitting here not speaking out if I think there are things in my riding that are going to have an adverse effect on that industry. But I agree with my colleague Mr Colle that to just kind of throw this out puts us in a position of looking at an increase and it has never been talked about; it has never been indicated. It's not something that's on the table, and if it was going to be, there would certainly be a lot of discussion with the industry. But it's not something that's even being considered. I think it's unfair to my colleagues around the room to suddenly vote to put a tax increase on that.

You could go around the rest of the province and you could have every other group come in—you will have groups, and we've had them, who have said, "You'd better take a look at that if you want to bring back the province to the way it should be, considering all the cuts and the downloading that have taken place." So there is probably an appropriate time to do it, but this probably isn't it.

Mr Hudak: I appreciate the point from my colleague from Niagara Falls. I know he is committed to helping out this industry, so I'll address another point that he made.

Dalton McGuinty and the Ontario Liberals made certain commitments, particularly with respect to taxes. I would expect, and I think taxpayers would expect, that they would keep those commitments. I know this com-

mittee will serve a useful purpose in helping the minister address fiscal allocations for the upcoming budget, as to which of the presentations would be a priority and which may not. However, I have a grave concern, to the member's point, that this committee is simply a process to wiggle off the hook of their election promises. I certainly hope that's not the case.

The member mentioned that we've heard groups say we should raise taxes. I certainly hope they will say, "No, we got elected on a mandate not to raise taxes. We appreciate your input, but we reject that input," and will give advice on the expenditure side. But certainly, if I'm hearing the government is planning on backtracking on its promise not to raise taxes, I think that gives a lot of members of the committee great concern. So I think it's important for us to send the signal that the government will be true to its word, that it won't be raising taxes and it supports our agricultural sector, and I ask that the question now be put.

The Chair: Mr Hudak has asked that the question now be put. All in favour?

Mr Hudak: Recorded vote.

Ayes

Hudak, Prue.

Nays

Colle, Craitor, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: the motion is defeated.

Further debate?

Mr Colle: Again, this committee has a very important responsibility. In the past, I think the people of Ontario were very upset that the previous government never followed some kind of process which had input on a fair basis from people of all walks of life. This committee is charged over the next number of weeks to get input from all kinds of interested citizens, as we have today, and then to weigh all those deputations and come up with some kind of report that will give some direction to the minister.

What this motion really is trying to do is essentially do another end run around the public input process. That's why motions like this should be put into the due process where everybody gets an opportunity to get caught up on the implications of motions. There might be further deputations and opportunities for deputations from the wine council or other interested parties. Then we make a decision.

For us on the first day to make these arbitrary decisions without any kind of input from interested Ontarians would be basically doing what the previous government was thrown out of office for doing. So I say to the committee, it's important that we keep the integrity as much as possible. That's not to say that at times we won't make certain decisions that may not be totally according to the process, but let us weigh all the infor-

mation, get the flavour of what people are concerned about, weigh the pros and cons.

As my colleague from Niagara Falls said, there are people with different opinions about what we should do. It's not to say anybody here favours attacks on wine. That's not the issue. The issue is listening to people and having their comments, their input, giving us direction so that we can have a comprehensive report. That's why I think the critical thing with these kinds of motions is to put them into the process of report writing, where we consider all equally. As much as the MPP has a lot of interest in this issue, we have to remember that the deputants are what this is really all about, rather than us as MPPs.

Mr Prue: Looking at the time, I would move to table this motion, with a return date of March 10. To the members who may not know the rules and procedures, the tabling of a motion sets the motion aside, and then it is brought back before the committee on March 10.

The Chair: We would need unanimous consent for Mr Prue's motion. Do we have unanimous consent?

Mr Hudak: No.

The Chair: I heard a no. Further debate?

Mr Hudak: I'm increasingly concerned, and I regret—I think members have to travel to London next, and south, heading back to Queen's Park. It's not a great evening. Nonetheless, I think this is an important issue.

Mr Colle: And you're at home here, in your own hometown.

The Chair: Order.

Mr Hudak: To Mr Colle's point, I don't think it's an arbitrary motion by any means. I think this is fundamental to the promises that Premier McGuinty made that he wouldn't raise taxes. If we're seeing a signal so soon in the new year that tax increases are under consideration, this is significant news and a major promise that's being broken.

I appreciate Mr Prue's motion. I do want to see the question put and voted upon, because it's important to send a signal that the government intends to keep Dalton McGuinty's promises; 2003 was not an admirable year for that. We're hoping 2004 will be a bit better. So again, I don't want to belabour the debate. I think it's an important question, and the motion is very straightforward. I ask that the question be put.

The Chair: Mr Hudak has asked that the question be put.

Mr Hudak: Recorded vote.

Ayes

Hudak, Prue.

Nays

Colle, Craitor, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.
Further debate?

Mr Craitor: Mike was wondering, why wouldn't you just put up your hand and ask—I want to say a few more words; I'm getting a little frustrated here.

First of all, I have spent a lot of time in the wine industry. I'm new and I'm trying to learn and understand it. I was just with them the other night at a number of events, and nobody has expressed any concerns. I was with Debbie Zimmerman, who is the executive director of the ratepayers' association. I don't know where this is coming from, and I hope, with the greatest respect to Tim, this is just political. Nobody down there was expressing any concern. They would have said, "Hey, Kim, you're going to this meeting today. Would you bring it forward?" So I don't know where this is coming from. I guess that's why I'm a little frustrated.

But the bottom line is, and my colleague is right, where do you as a committee—I'm glad I'm not going with you. Do you take every single one of them and then try to vote on them piecemeal? You're quite right: You put it all together at the end of the day and the decision will be whatever it will be when you come out as a committee. That is the right and fair way to do it. I would have no problems if the grape industry came to me and questioned me on why I wouldn't support this. It's not that I don't support it. This isn't the right way to go about doing it. It's not on the table; it's not an issue. They certainly didn't bring to me, on the last couple of nights I've been out with them, that they had this huge concern that we were going to go ahead.

I'm getting frustrated with, "Break your promises. Break your promises." When people understand what we've walked into—and they believe it. It's not like they don't believe it. Listen to them when they come in here. The first thing they say is, "We know the debt." It's not like we're saying it to them. They believe it. They are asking us to try to help them, but they understand the difficulties that we face. So I'm a little frustrated. I don't know why we're doing this. Certainly I don't want to see an increase in the growers' taxes in the wine industry, but this isn't the way you go about it, and it's not even on the table.

Mr Hudak: I think it's important to send that signal. It is a cause for concern, and I have heard the concern that the government is planning on increasing taxes on the alcohol industry, whether it's beer, spirits or wine.

Secondly, as a former minister, we've been through the process before. The Ministry of Finance will bring forward all kinds of revenue options, tax cut options and spending options, and government officials, the MPPs and the ministers will then make a decision as to priorities. This committee will give advice as part of that process.

I have no doubt that the Ministry of Finance civil servants will bring forward as an option for the government an increase in taxes on wine, spirits and beer. My particular concern with this motion is the wine industry. I think it's important that we send the signal to them that we will not support an increase in tax on the Ontario wine industry.

I think we're on a bit of the horns of a dilemma here, because I think you need unanimous consent to defer a vote. If the members want to vote my motion down, they can. But I think it's important that we send a signal that Dalton McGuinty intends on keeping his promise not to raise taxes.

Mr Colle: Would a motion to receive the motion be in order?

The Chair: The motion on the floor is in order.

Mr Colle: I move receipt of the motion before us.

The Chair: The motion is on the floor for debate.

Mr Colle: So I move receipt.

Mr Hudak: You're trying to defer it.

Mr Colle: No, I'm trying to receive it, to take it into consideration. That's what we're doing.

Mr Prue: The motion to receive would kill the motion, because all you would do is receive and do nothing with it.

Mr Colle: We'll receive it.

Mr Prue: You receive it and do nothing with it.

Mr Colle: I'm moving receipt.

Mr Hudak: I think we need unanimous consent. I know the members want to avoid voting on this, but I think they deserve—

The Chair: Order. The motion is on the floor. It is before the committee and you're compelled to deal with it in one way or another.

Mr Colle: So my motion is dealing with it by receiving it for further consideration. That's what we're supposed to be doing with this consultation process.

The Chair: So you would want to defer the motion.

Mr Colle: No, I want to receive it and consider it along with all the other deputations we have so we can come up with this report. I think that's very much in order, because we're deliberating on all the information we're getting. So this motion will be part of our receipt of information from the public at large.

Mr Craitor: Chair, on a point of order: To the committee, I'm going to have to give you my apologies. I had not planned on being a member of the committee. I had planned on coming in and participating. It is my riding. One of the members was not able to be here, so I agreed to sub in for a period of time. I have a commitment at Thorold city council.

The Chair: That's not a point of order.

Mr Craitor: Well, it is because I'm going to get up and leave, and I don't want to just get up and do that. I want the record to show that I'm committed to go to town council in Thorold and I have to be there, so I will be leaving.

Mr Colle: You hope Peter Kormos isn't there.

Mr Craitor: He'll be there.

Mr Hudak: Mr Chair?

The Chair: One moment, please.

We'll take a five-minute recess.

The committee recessed from 1653 to 1705.

The Chair: A motion was made to receive Mr Hudak's motion. This receiving of a motion is out of order in our Parliament.

Further debate?

Mr Hudak: Mr Chair, I know people have to go. I know members want to delay the vote. I would like to see the vote put, so why don't we just get it over with and vote? This is sort of painful, going through all this procedural stuff. Let's just call a vote.

The Chair: Are you asking that the question be put?

Mr Hudak: Mr Chair, I'm asking that the question be put.

The Chair: All in favour that the question be put? Opposed? Carried.

All those in favour of Mr Hudak's motion?

Mr Hudak: Recorded vote.

Ayes

Hudak, Prue.

The Chair: The motion is carried.

Mr Hudak: I have one more motion, and then in the interest of collegiality and if the tables ever turn—I'd like to put another motion on the table as to photo radar, which a lot of my constituents are concerned about. The Premier has made recent comments that he sees this as a revenue source for the budget.

I move that the standing committee on finance and economic affairs recommends that the Minister of Finance that the government of Ontario rejects any plans to install photo radar to Ontario's provincial highways.

The Chair: With the mover's consent, I'll read it again. Mr Hudak moves that the standing committee on finance and economic affairs recommends that the Minister of Finance that the government of Ontario rejects any plans to install photo radar to Ontario's provincial highways.

Any comment or debate?

Mr Wilkinson: I move that we call the vote.

The Chair: Mr Wilkinson is moving that we put the vote.

All in favour to put the vote? Carried.

All those in favour of the motion?

Mr Hudak: Recorded vote.

Ayes

Hudak.

Nays

Prue.

The Chair: Further debate?

Mr Colle: There's debate on this? We voted, didn't we?

The Chair: We'll take a five-minute recess.

The committee recessed from 1709 to 1717.

The Chair: Committee, we had a tied vote. I am voting against the motion.

This meeting is adjourned.

The committee adjourned at 1717.

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