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Thursday 5 February 2004

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Jeudi 5 février 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

Président : Pat Hoy
Greffier : 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

Thursday 5 February 2004

Jeudi 5 février 2004

The committee met at 0900 in the Valhalla Inn, Thunder Bay.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Pat Hoy): The standing committee on finance and economic affairs will please come to order. The committee is pleased to be in Thunder Bay today.

ONTARIO METIS ABORIGINAL ASSOCIATION

The Chair: I would call on our first presentation, the Ontario Metis Aboriginal Association. Good morning. You have 20 minutes for your presentation. If you care to, you can leave time within that 20 minutes for questions. I'd ask you to state your name for the purposes of our recording Hansard. You may begin.

Mr Michael McGuire: Good morning, ladies and gentlemen. My name is Michael McGuire. I'm the president of the Ontario Metis Aboriginal Association and I'm making a presentation to you today. We already gave you a handout and a few appendices to it, plus one of our current newspapers that we have out concerning the Powley decision.

As an incorporated, non-share capital corporation in Ontario, the umbrella organization representing local communities and five regional organizations across Ontario, known as zones, OMAA is our acronym. We offer representation to the 200,000 Metis, non-status and off-reserve aboriginal people in the province of Ontario. Presently we are celebrating our 33 years of operation in Ontario. I think we were founded in 1967, and our organization came in 1971. Since then we have been organizing in Ontario.

As we work toward improving the quality of life for all Indian and Metis people living off reserves in Ontario, we continually strive toward the political, social and economic well-being of Metis, non-status and off-reserve-status aboriginal people in Ontario by addressing common concerns through the implementation of vital service initiatives designed to improve the quality of life for the many OMAA members.

Over the last year, OMAA has embarked on the development of a comprehensive human resource development strategy that has been attempting to define the needs of our growing population. In the development of our

strategy, we have had an opportunity to identify the demographic trends that are occurring in the aboriginal populations in Ontario as well as develop a labour market profile of the off-reserve population. The results of this work represent both a major challenge and a promising opportunity for Ontario, an opportunity that we believe should be addressed.

The data from Statistics Canada portray an aboriginal population which is highly urbanized, with over 50% of the population living in urban areas. In Ontario, 308,105 people are identified as having at least some aboriginal ancestry and the majority—approximately 71%—live off reserve. The data portray a population whose natural population growth is outpacing the non-aboriginal population. While it is true that some of the growth rate is attributable to natural increases, most of the population growth in the last five years can be attributed to an increased awareness of aboriginal people's ancestry and identity. The data illustrate that there has been a decline in the proportion of Ontario's aboriginal population that is made up of registered Indians. The second major change has been in the surge in the number of people who consider themselves to be Metis. These demographic trends have been continuing for several decades, yet the exact opposite is true of the fiscal policies of the province of Ontario whose expenditure patterns show a decided bias in favour of the on-reserve population in Ontario.

Do not get me wrong; on-reserve expenditures on social and economic programs and services are needed. There is no question about that. However, what is urgently required is an adequate approach toward the needs of aboriginal people who do not live on Indian reserves. Off-reserve aboriginal people are looking to the province to recognize the demographic reality that the majority of the aboriginal people live off-reserve and have similar, although not identical, challenges to those people who live on reserves.

The recent attention paid to urban aboriginal people at the federal level could also leave out a significant percentage of Ontario's aboriginal population. The federal urban aboriginal strategy applies to only Toronto and Thunder Bay. Prime Minister Martin has promised in the throne speech to expand that initiative. This has to be applauded. However, it is not clear that adding a few cities will meet the needs of Ontario's off-reserve population as Ontario's aboriginal population is very rural in nature.

In fact, the aboriginal residency pattern is almost the diametrically opposite of the non-aboriginal one. The non-aboriginal pattern takes the form of an inverted pyramid, with 70% of the population at the top, in urban census metropolitan areas, and only 15% at the bottom, in the rural areas. In the aboriginal residency pattern, on the other hand, less than 40% of the population lives in census metropolitan areas and the majority live in smaller urban centres and in rural areas.

This has major implications for the delivery of services to aboriginal people, as it implies that Ontario's aboriginal population is more dispersed and harder to reach from single centres than the general population. What ends up happening is that the needs of the population are chronically ignored. We need to reverse that trend.

What is also clear from the data is that the social and economic profile of this population is not much different from that of people on reserves. It is merely a question of degree. Although conditions of aboriginal people have improved on some major socio-economic measures, in particular labour force activity, since 1996, the gap between aboriginal and non-aboriginal populations does not appear to be closing. In other words, the current system of supports is merely serving to entrench the structural inequalities of the system.

Part of the problem is that Canada and Ontario fail to recognize the needs of their aboriginal ancestral population, who are all but ignored by programs and services. They are treated as if they do not exist. For all intents and purposes, these people are ignored. But let me make it clear that they are not just statistics. They are taxpayers. They are people who have unmet needs and it is a growing percentage of the aboriginal population.

We provide what services we can to those people, but they deserve much better treatment than they receive both at the federal and provincial levels. We need to address the needs of these people or risk perpetuating the inequality that the data clearly show.

While today's aboriginal people and their communities face many obstacles and challenges, there are tremendous opportunities for the province of Ontario to assist in dealing with many of these issues. Too often in government, we see inefficiency, poor performance or failure to meet stated guidelines rewarded by the continuation of funding levels. Those organizations that strive to meet or exceed program criteria and succeed should be rewarded by increased funding, not the maintenance of status quo funding.

0910

The Aboriginal Healing and Wellness Strategy was created in 1994 to address family violence, health and well-being among aboriginal people in Ontario. It is a unique program in Canada and has become a source of innovative expertise in aboriginal healing and health services across North America. In 2002-03, the Aboriginal Healing and Wellness Strategy completed a full second round of the strategy-wide performance measures plan, involving 150 projects. Over 50% of AHWS clients

reported improvements in both health status and family situations, and over 91% of clients said that their current overall situations were better than before taking part in an AHWS-funded program.

In 2002, OMAA participated in Ontario-wide consultations with 253 communities in order to facilitate discussions and input from community members, service providers and participants about the management and scope of programs and services of the strategy. The results of those consultations included concern over a lack of programming for children and youth between the ages of seven and 12, a need for increased mental health programming, a need to reduce bureaucracy, and drug, alcohol and substance abuse programs.

To date there has been no confirmation that the program will be renewed for another five years. This has resulted in considerable difficulty in aboriginal organizations, which cannot plan staff requirements beyond March 31, 2004, and are forced into sending layoff notices because of the impending close of the program. We urge the government of Ontario to commit adequate funding which will allow this badly needed program to continue, if not expand, to fill the identified service gaps.

OMAA supports the expansion of community health outreach workers, who are often the only contact for small communities for education, awareness and referral for needed services.

Finally, there is the issue of diabetes. The high rates of this disease in aboriginal populations are well documented, and there is a lack of adequate services for our aboriginal communities, particularly in the north. Our one provincial diabetes worker is stretched to the maximum to cover the entire province. If this province seriously wishes to address this major health issue so that residents have reasonable access to culturally appropriate programs and services that will improve their quality of life, then there needs to be proper funding for those programs which meet or surpass terminal performance measures.

Housing: Adequate affordable housing remains a major concern for our off-reserve aboriginal members. Much has been said about the deplorable condition of on-reserve housing, but little has been voiced regarding those who live off reserve. They face even greater difficulties since they lack the subsidies provided to on-reserve natives. While the affordable housing program announced by the Ministry of Municipal Affairs in 2002 is a step in the right direction, it lacks any aboriginal focus. The community rental housing program totally neglects the north by focusing on development in southern Ontario cities. Funding for homes in remote areas was to have been launched in 2003, but information on how this program will be structured still remains unknown in early 2004.

One of the major difficulties off-reserve aboriginals face in accessing these programs is the requirement of matching funding, which often excludes them from any significant participation. We call on the province of Ontario to recognize these special difficulties and

develop funding proposals for a mix of urban and rural, northern and southern, non-profit, community rental and home ownership programs specifically addressing aboriginal needs.

Education: While the out-migration of youth continues to be a significant concern, many Metis and aboriginal youth choose to stay in their home communities and settlements or return after completing their education or training. We recognize the value of our youth and the potential for them to make meaningful contributions to social and economic change through education, training and lifelong learning. Our employment and career counsellors work closely with this younger generation to ensure that they receive the guidance and support necessary for successful career choices.

We also recognize the struggle of the unemployed and underemployed, single parents and the disabled members of our community and we have taken steps to improve their lives through adult literacy programs, life skills training, modified work placement and skills assessment.

Studies clearly indicate an aging population approaching retirement years. These same studies indicate an impending shortage of skilled workers. Aboriginal communities have the necessary human capital that, with real access to training programs, can address this shortage without the necessity of importing offshore human resources. OMAA employment and training services have developed a long-term vision to increase and strengthen our human capital. We have implemented an action plan that encourages community partnerships and strives to create a seamless delivery of programs and services to our people. We have sponsor confidence that our vision will work and we continue to respect and nurture this confidence with the design and delivery of each new project. An appendix to this report details some of these projects.

We can do more, and will do so with increased financial partnerships with the province of Ontario.

Economic development: Aboriginal people and communities face higher rates of unemployment than the rest of the Ontario population, as well as a higher dependency on social assistance. These conditions are often linked to a lack of economic and community development. While we welcome Premier McGuinty's commitment to returning the northern Ontario heritage fund to its original mandate to foster private sector job creation, we note that despite our vigorous objections, the fund still states that only First Nations are eligible. The use of this term is discriminatory and divisive and implies that other aboriginals—Metis, Inuit and non-status Indians—may be excluded. With on-reserve populations shrinking and off-reserve aboriginal populations increasing, there needs to be a clear statement from this government, through the budgetary process, that aboriginal economic development programs encompass all aboriginal communities.

If the province of Ontario is serious in its statements that it will work to remove barriers to aboriginal economic development by focusing on education and skills development, access to capital and infrastructure, it needs

to infuse more actual funds into the process. For example, the former Jobs Ontario Community Action aboriginal program received funding of \$4 million per annum for aboriginal economic initiatives. The Ontario aboriginal economic development program, the replacement program, receives approximately \$1.2 million per annum after administration costs. As a result, there are many worthwhile proposals that receive no funding. Increased funding would remedy this situation and deliver on the province's promises.

Previous governments in Ontario saw fit not to include Metis in the Casino Rama project. This moratorium on further casino expansion has prevented Metis in this province from utilizing casino proceeds to generate many of these economic initiatives. We seek a lifting of the moratorium and action on promised discussions on a Metis and off-reserve aboriginal casino. You keep spending your money there.

Our underprivileged position in Ontario is real. The needs of our people are real and are growing. We have developed a strategy to address these needs. The strategy speaks of partnership. Our question to you is, will you recognize this reality, and can we establish the partnerships to address these challenges?

Remarks in Ojibwa.

0920

Our organization started years ago. I think it was in 1965 when we started planning it. It wasn't until 1967 that Mr Keith Penner, who was our Liberal MP, chaired one of our first meetings in the community of Macdiarmid. Since then, we've had dreams of how we are going to create economic development, how we are going to educate our kids and how to get a little more equality into what we consider just normal living; for instance, we mentioned diabetes here. As a lot of people might know, the Powley decision just came out that recognizes that we have our own right to hunt and fish.

In our community when we were growing up in Macdiarmid, there were 16 in my family. We had a natural resources place—it used to be called lands and forest—but they had a game warden in that small community. In the morning you could see that game warden walking around like a big dog: He's sniffing the air like this. He's doing that because he wants to find out who is cooking moose meat. Can you imagine coming into somebody's breakfast table at 8 o'clock in the morning to see if you're cooking breakfast and your mother is trying to feed 16 kids? There's something wrong with that system. And yet we say there's a problem with aboriginals. If the Metis people had the right to hunt and fish the way other people could, I'm pretty sure that problem could have been solved.

I know there could be a lot more said about what we do. We're sincere now that this government will back our power. I know in the Peterson government—I don't know why the hell he called that election.

Interjections.

Mr McGuire: So you're back in power here. Let's all get together, let's do something so we can continue to be

in power and have Ontario as one of the most prosperous provinces in Canada. I'm sure we can all work together and have a great partnership. Meegwetch.

The Chair: Thank you for your presentation this morning. There is no time for questioning.

CITY OF THUNDER BAY

The Chair: I call upon the corporation of the city of Thunder Bay. Good morning. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions if you desire. I would ask you to state your name for the purposes of our recording Hansard.

Ms Lynn Peterson: Good morning. My name is Lynn Peterson. I'm the mayor of the city of Thunder Bay.

Thank you, members of the standing committee on finance and economic affairs, for travelling to Thunder Bay to conduct pre-budget consultations. We appreciate the opportunity to present the challenges and issues we face today and to comment on the fiscal and economic policies of this province. My presentation will highlight the main topics covered in our detailed written submission. That was 90 pages. Getting it down to 15 was a bit of a task, so I'm going to have to speak quickly.

The city of Thunder Bay has faced challenges over the years; however, this is a year of exceptional challenges. Many of these challenges are related directly to global economic factors. Some, however, are very specific to the city. Since 2001, the city's population has decreased 4%. Declining assessment is also an issue. While provincially there has been significant assessment growth, the city has experienced a 3.7% decrease in total assessment between the years 1998 and 2003.

While wages have increased on average 3%, benefit costs have continued to increase at rates well above inflation. In 2004, OMERS contributions will be fully reinstated at increased contribution rates, resulting in an operating budget increase of approximately \$5 million in 2004, which translates to a 5% tax increase here. The overall cost of purchased goods and services required by the city continues to increase. Most notably, energy costs have seen large increases in the last year.

As the city of Thunder Bay purchases approximately four million litres of gasoline and diesel fuel each year, any increase in gasoline and diesel fuel prices will have a significant impact on the operating budget of our city.

There has been a tremendous decline in traditional industries within the city. Once the world's largest grain port, with 27 elevators with a capacity for 17 million bushels, today there are only eight operating elevators with a volume of 5.5 million bushels. The condition of the abandoned elevators poses environmental concerns and represents an extreme danger to the public and emergency workers. While there has been a recent success story in working with the crown relative to the former Riverside Grain property, the issues pertaining to the property, which reverted to the crown in excess of 10 years ago, have not yet been resolved. The city strongly

feels that the crown has an obligation to protect its citizens from harm on property that it owns and provincial funds need to be set aside to address these concerns.

Following a decade of slow or negative growth and high unemployment, the year 2003 saw Thunder Bay have the second-fastest-growing economy in Canada. That our GDP grew is a testament to Thunder Bay's potential to turn around. Underlying that strength are key fundamentals that require the serious attention of the province. As the Thunder Bay economy is very much dependent upon the forest sector, the outcome of the softwood lumber discussions underway between Canada and the US has dramatic implications. There is a need to diversify the Thunder Bay economy, not only into emerging strengths of the community but into the knowledge economy of existing and historical strengths. With the proper investments and support by the province in partnership with the city, local institutions and the private sector, the province can realize significant new growth and jobs from Thunder Bay. To further facilitate job growth, we request that the province relocate government jobs to Thunder Bay to offset the 2,000-plus government jobs that have been lost to this city in the last decade.

This city has responded to the combined pressures of growing responsibilities and costs, scarce resources and public scrutiny by focusing on cutting costs, holding the line on tax increases while increasing its annual contribution to capital. A number of factors have contributed to this increase, including an aging infrastructure that needs to be maintained or upgraded to provide core services to the residents of the city; a lack of uncommitted reserves and reserve funds; and a lack of provincial subsidy dollars for capital projects. Our capital program is prioritized on the basis of asset sustainability and replacement and health and safety items. This ensures that the city's facilities and equipment are safe and accessible to the public, that requirements legislated under provincial legislation or local services realignment are met and that core community services are continued.

LSR has brought about fundamental changes to provincial and municipal roles and responsibilities. As a result, municipalities inherited many expensive and capital-intensive programs. Between 2000 and 2003, the city's community reinvestment fund payments increased only 10%. Contrast this to the local services realignment costs, which have increased approximately 25% over that same period of time.

While improvements have recently been made to the CRF grant program, there are still a number of outstanding issues. We encourage the province to inform municipalities of their entitlement by September of the previous year, to make multi-year commitments with respect to funding levels, and to provide a clear formula for calculating the reconciling items.

The city, as with many other municipalities, has identified a number of issues with respect to service delivery, dealing mainly with the quality, timeliness and

responsiveness of services provided by the Municipal Property Assessment Corp, MPAC. We are encountering significant delays—up to two years—in obtaining details of new construction comparables, as well as supplemental and/or omitted assessments. Furthermore, MPAC's call centre and functional centralization has reduced any familiarity with local issues and greatly increased response times. This has led to cash-flow problems, higher municipal administration costs and, certainly, irate taxpayers. Although provincial education taxes account for \$6 billion of the \$15-billion annual property tax levy, the province shares no part of MPAC's costs. We encourage you to think about that.

At the same time we are dealing with emerging issues, we continue to deal with ongoing issues. The city of Thunder Bay covers a large geographic area and is responsible for maintaining approximately 950 kilometres of roads. The cost to maintain them to city standards is \$5.22 million annually. Severe weather conditions contribute to higher road maintenance and snow removal costs, thereby exacerbating the financial issues.

The city currently spends \$12 million to \$14 million annually on transportation infrastructure, including roads, sidewalks and bridges, which is primarily funded from the property tax base. What is needed is \$20-million-plus annually to meet present and future demands.

The provincial minimum maintenance standards for municipal highways resulted in additional costs to the city. While the standards are not mandatory, the regulation defence will be available only when a municipality has met the relevant standard.

0930

With deferred maintenance and rehabilitation of our road, sidewalk and bridge infrastructure approaching \$100 million, the ability to finance the work poses a significant financial dilemma for the city of Thunder Bay. The city's annual debt financing has doubled since 2000, and the city's outstanding debt has increased from \$35 million at the end of 2002 to \$94 million at the end of 2003. Even with the increase in the level of debt financing, some very worthwhile capital projects must be deferred.

The age and condition of roads, sidewalks, bridges and recreation facilities requires us to be proactive in maintaining a basic level of service to the community. We encourage the province to work with the federal government and municipalities to achieve a new deal for municipalities that ultimately results in predictable grant funding. We need a multi-year rolling guarantee to facilitate multi-year planning, and more flexibility for the municipality in choosing the eligible projects. Furthermore, we request a consideration of specific northern issues when allocating grant funding, including understanding that we have a limited number of potential partners and recognition that a one-size-fits-all approach conflicts with the reality that issues in the north differ from issues in the south of the province for various reasons, including environment, weather conditions, in-

creased costs and loss of assessment. Northern Ontario municipalities have lower assessment bases and deliver a broader range of services than their southern counterparts.

The urban-rural nature of the city of Thunder Bay and the discontinuation of provincial operating grants, together with reductions in the capital subsidy, are making it increasingly difficult to provide cost-effective transit services. Operation of a system of public transit is an essential social service. We must stress the need of infrastructure dollars to ensure cost-effective, efficient and safe public transportation. It is important that all orders of government work co-operatively to find a solution.

There have been significant issues that have impacted a municipality's ability to provide adequate and effective policing in northern Ontario. The previous government placed the responsibility of providing court security on municipalities in 1997. Although the administration of the courts and their facilities remains the primary responsibility of the Ministry of the Attorney General, municipalities bear a significant cost in providing court security. This is not a core police function, and the Ministry of the Attorney General should take over security of their institutions.

The community policing partnership program was designed to increase the number of frontline officers for many communities. Access by northern communities to this program is restricted, because the program's funding formula fails to recognize that northern Ontario's economy is stagnant or declining. The government needs to recognize the economic reality of northern Ontario and adjust the funding formula of the program to reflect this reality.

Implementation of programs such as the sex offender registry and major case management has caused police services to redirect resources away from frontline policing. Although all these initiatives are good tools for policing, a more rational approach must be taken to allow police services to access each other's databases. The government should fund the development of interfaces that allow police services to achieve this goal.

Finally, the municipal per household cap for police services penalizes municipalities that pay full costs for policing by having municipal taxpayers subsidize policing in other jurisdictions through their provincial taxes.

There are several financial issues which affect emergency medical services. The Ministry of Health has not been responsive to municipalities. For example, although we are in the 2004 fiscal operating year, the MOH has not provided final approval of our 2003 budget requests. The response time framework funding does not address the issue of inappropriate station locations. Cross-border billing legislation is not working, and many direct delivery agents are in financial difficulty because of it. In addition, there is an inherent flaw in the land ambulance funding template. The net result is that incorporated municipalities in affected DDA jurisdictions are being attributed a greater portion of the municipal share

of the land ambulance costs in their catchment area than are their unincorporated counterparts. We petition the government to correct the funding template and to adjust funding retroactively to 2001.

Recruitment of emergency medical services personnel is extremely difficult within the northern areas. We urge the province to establish an underserved area program and to share in training costs if we recruit personnel who are not fully qualified. The province has promised to cover 50% of approved costs. However, the term "approved" is vague and not clearly defined, hence the issues we have identified. We request that the province fully fund 50% of EMS costs approved by municipal councils.

Two of our homes for the aged are D-listed. Current legislation under the Ministry of Health requires these homes to become compliant by 2006. The cost of redeveloping will be in the order of \$44 million. There is a need for an infusion of capital funding by the province to ensure capital costs are shared on an equitable basis.

With respect to social housing issues, the other levels of government must continue to play a role. Through LSR, there is a larger municipal role. However, if needs are to be met globally, there must continue to be both funding and policy roles at the provincial and federal levels. As well, our community is facing an immediate critical situation caring for homeless women and children, with the province's decision to cease funding for Community Residence Women's Shelter.

The recruitment and retention of physicians has been a concern for many years and is now reaching crisis proportions. Training more physicians in northern Ontario is certainly the best response to this problem in the longer term. We are, however, in urgent need of support for immediate short-term solutions that will allow our community both to retain current physicians and to recruit new family doctors. As residents of Thunder Bay and northwestern Ontario, we urge you to respond to our community's and our region's critical and immediate needs. For us, this is truly a matter of life and death.

Health units in northern Ontario are underfunded in comparison to their counterparts in the rest of Ontario, due to the higher level of primary care services required and the cost of providing services to unincorporated areas. Provincially mandated requirements and programs have increased municipal costs to unacceptable levels. Between 2002 and 2004, this city experienced levy increases totalling 33%. The province must rectify the long-term funding inequities for northern public health services and programs as soon as possible, as municipalities cannot continue to fund increases of this magnitude.

TBayTel is a municipal department of the city of Thunder Bay, providing communications—ie, telephone, long distance, Internet and mobility services—to the city of Thunder Bay, outlying townships and northwestern Ontario communities. TBayTel would like to take this opportunity to ask the provincial government to lobby the federal government on TBayTel's behalf with respect to

municipalities being allowed to own a broadcasting licence. Since 1985, the Broadcasting Act forbids broadcasting licences to be issued to municipal governments. Currently in Canada, broadcasting companies are providing telecommunications services, but municipal telephone companies cannot provide broadcasting services. TBayTel would like to see this changed by repealing the appropriate sections of the act.

To reduce the high cost of justice, we need legislative amendments to limit rather than further expose municipalities. One such amendment would be to provide municipalities with immunity from liability for environmental contamination on properties vested in the name of the municipality after an unsuccessful tax sale.

In the end, I restate my plea for a new deal. There is a definite need to be able to expand the revenue sources available to municipalities. Both federal and provincial governments must allocate a share of their revenue sources, among other initiatives, to help fund priority capital investments in areas such as transportation, transit and affordable housing, and to ensure a base level of funding for ongoing capital infrastructure renewal. In the recent throne speech, the federal government announced that municipalities would receive a full goods and services tax rebate. We encourage the provincial government to follow the lead of the federal government to make municipalities exempt from paying provincial sales tax on their own purchases.

Members of the standing committee, the city of Thunder Bay is committed to providing high-quality municipal services through forward-thinking policies and effective management. To do this, we count on the province of Ontario for support and effective policy-making. We greatly appreciate that the standing committee's report to the House will include an understanding of the north. Thank you.

The Chair: We only have three minutes' time for questions from one party. This will go to the official opposition. Please leave time for an answer, Mr O'Toole.

Mr John O'Toole (Durham): Am I being instructed, Chair? I can speak for myself, thank you.

Thank you very much for a very informative presentation on some issues that really wouldn't be quite common knowledge to many members. We have heard on a couple of occasions the issue of declining assessment, and that is a fundamental structural deficit for you in the longer term—revenues falling and expenditures increasing. Maybe you could respond by saying how you're going to do it, because you can only do it two ways: You can increase the taxes or reduce the service. Those are basically the options.

0940

Ms Peterson: That's exactly what we're facing at the moment, as my council struggles to decide how we deal with this as a community. We have—you're right—the opportunity to raise taxes. That's not popular.

Mr O'Toole: Then you'll drive more people out, and more business. If you increase the taxes, they'll leave.

Ms Peterson: That's a possibility. There are also user fees and there is also a cut in service. We've gotten to the point where there's not much left to cut, no place to go on the tax base, and user fees are not necessarily acceptable.

Our other option, and the one that I prefer, is that we have to talk about the expenditure side. We have to talk about the revenue side. This community has incredible building blocks. We have a new hospital. We have a new medical school. We have paleo-DNA labs. We have a university. We have everything to build with. We can turn the corner. We need a hand to steady the ship. Many of our abilities to steady our own ship have been taken away. We want policies and some support to steady our own ship, to grab our own destiny, and we need the help of the province to do that.

Mr O'Toole: A couple of quick questions, if I could. That's a very good response, because I think of those enterprise zones, and those solutions are part of how you attract and retain investment, which is job creation. Without those tools, your residential population cannot support the level of service you need. I live in the country, so I'm not foreign to all of this.

One of the things that does concern me, on page 8, is a troubling sign that we saw earlier in—

Ms Peterson: Page 8 of the larger document?

Mr O'Toole: No, it's just of your presentation. It says that the debt has increased from \$35 million to \$94 million in a very short time. That's a troubling signal because really debt becomes a drag on your annual operating revenue. How much of that debt is attributable to operating costs, as opposed to capital costs like building a bridge or something in the long run that's a one-time expenditure? If those are operating costs, that's a serious problem.

Ms Peterson: The D-listing of the two homes is \$44 million of that.

Mr O'Toole: OK, the long-term-care things.

Ms Peterson: Also, we've increased—Carol can correct me if I'm wrong—our annual capital investment out of revenue by \$2 million annually. Because of the infrastructure debt that's not only in this city but right across the province, we have actually been doing things like raiding our reserves, using operating for capital. Those are the kinds of decisions that municipalities face every day.

The Chair: Thank you for your presentation this morning.

THUNDER BAY HEALTH COALITION

The Chair: I call on the Thunder Bay Health Coalition. Good morning. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions, if you so desire. I would ask you to state your name for the purposes of Hansard.

Mr Charles Campbell: My name is Charles Campbell. As was said, I'm a spokesperson for the Thunder Bay Health Coalition.

We're here speaking specifically about the health care issue. However, we are talking about it in the context of the budget. The health coalition here in Thunder Bay is indeed a chapter of the provincial Ontario Health Coalition. Our members are citizens concerned about health care. A number of our members are also members of other organizations, unions and public groups. We support public health care. That means government-funded, universally accessible care delivered without a profit motive. We believed, on September 20, that the Premier was supporting that initiative as well when he praised nurses fighting for a strong and sustainable, publicly funded and delivered health care system. That's what we're here to talk about in the context of the budget.

Since October 2, the discussion has gone from talking about publicly supported health care to the \$5.6-billion deficit, of course. But the first question we have to ask is, why is this a surprise? There was a deficit prediction made. In fact, on September 22, the Liberals issued a press release that talked about a Fraser Institute study that talked about a \$4.5-billion deficit at that stage. So we knew there were issues that were going to have to be grappled with during the election itself. The Liberals, however, did come forward and say that they had priced out and identified their priorities and they were able to balance a budget and enhance public services. The public of this province supported the Liberals and elected them to the government based on that campaign.

One thing that was not in the press release of September 22 was that the Fraser Institute also predicted a deficit by 2006 of \$4 billion from the Liberal campaign. Whatever one wants to say about whether that was an oversight in the press or not, the reality is and we do accept that there is clearly a deficit now that has to be dealt with.

How big is that deficit? The term "structural" is very popular; however, if you take a look at the reports from the Ministry of Finance and at the Peters report, identified in there is \$1.3 billion of Hydro One/OPG impacts in 2003-04, a contingency of \$600 million, and a one-time SARS cost of \$600 million. Granted, that does still leave us with a deficit; however, it does not leave us with a \$5.6-billion deficit. It clearly leaves us with a much smaller number that is not necessarily structural.

Drawing on research from the Canadian Centre for Policy Alternatives, a deficit would probably still remain in 2004-05 of upwards of \$2.2 billion if the Liberals implemented the tax rollbacks that they had suggested in the campaign and did not introduce any additional initiatives that were promised, and by 2005-06, the budget would actually be in a non-deficit situation. So we would argue that although the term "structural" is being bandied about quite a bit, the reality is that revenue growth is continuing, there are systemic hits which are specific to the past year or two, and the deficit is indeed not something that means we have to turn around right now and start slashing programs, as we have already.

We also would like to talk a little bit about which deficit we're going to discuss. During the election, the

campaign that the Liberals ran was very much about the deficit that has been created by the cuts to social programs, to health care and to a lot of the government programs that people have treasured and relied upon. However, since the election, the financial deficit seems to have taken over the papers and public discourse. We'd like to bring that discussion back. Obviously, we do recognize there is a budget deficit, and there are things that can be done to address some of those costs. Clearly, that's why we're seeing you travel around the province asking for input. We do have some financial input. We're not saying that we can spend our way out of this. However, we'd like to think a little bit about why health care costs are such a large portion of the current budget.

One of the issues that we're not going to get away from is the fact of demographics. We have an aging population profile, and health service costs are not going to go down. That's a reality that we have to accept as a province. As the population gets older, the need for services is going to increase.

However, there are other issues which are pushing up costs. The P3 deals—whatever you want to call them, however you want to label them—are profit-making ventures for the investment groups, and the public is bearing expenses there. Private facilities are being paid for with public money, which draws funding and resources away from the public system, making it more difficult to attract doctors and address health care issues. Health expenditures now include profits for corporations, including those in long-term-care and other corporate facilities.

On September 28, a candidate in the Ottawa area—not the Premier, but another Liberal candidate in the area—called on Premier Eves to step forward and talk about what the P3 deals were about, what the numbers were. I will quote that member: “It should be publicly owned and operated, not a private hospital,” in the context of what should happen with the Ottawa health care situation. Since the election, the Liberal Minister of Health has continued backroom negotiations, has not come forward with what the agreements are and has not disclosed the information in them. It can be called a lease payment; you can call it a rent. Whatever you call it, there's clearly a capital program that's being negotiated outside of public view, and there is an element of profit which is clearly in there.

If you take a look at studies out of England, studies out of many other jurisdictions where there have been for-profit and public-private partnerships, there are 10% to 15% profit margins generally built into these sorts of arrangements. That money is coming out of the treasury budget in addition to the cost of those facilities. That is an expenditure which could be avoided if those facilities were not being done with this private situation. It's no surprise that health spending is increasing so fast if the government is adding profit margins into the health care system.

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One of the other issues is the staffing issue. The Premier spent a lot of time talking about choosing change

and dealing with the doctor shortage. The private-public models are being touted as a solution to deal with lines. However, again, back during the election in September, another Liberal member in the Kitchener area brought up the fact that a private clinic had been set up in that area and had paid a \$15,000 bonus to attract an MRI technologist from a hospital in Windsor. I'm not sure how exactly that shortens lines anywhere except in Kitchener and I think the folks in Windsor may have something to say about how it lengthens them. That's a \$15,000 increase that that little element in competition added to that specific health care program. I ask you, with the staffing issues we have, how many more similar situations we're dealing with.

McGuinty did indeed promise that there would be increased access to public MRI and CT services, and the press release on the 22nd talked about choosing change in health care services in our hospitals, not stand-alone and separate facilities which have costs attached to them that we then pick up in addition to the public health care system.

Long-term care is a very good example of a P3 paradigm that's been in action for a while now. We're paying private developers to build facilities and building in those profit margins for them. We are handing over money to them and the service standards have not been improved; they have in fact declined over the past few years.

The private delivery model has been touted for a number of years as a solution. Well, a little bit of a picture of what it's about: Yes, indeed, retirement REIT, which is an income trust that provides long-term-care homes—Central Park Lodges specifically—does have a statement in their mandate to provide the best possible standard of accommodation, and we have no quibble with that. That's clearly what the mandate of a retirement home or a long-term-care facility should be. However, their business mission is to “maximize unit value through the efficient management of ... senior care homes and related services, and ... growing the business through acquisitions and new developments, primarily in Canada.” I leave it to you to guess why “primarily in Canada” is there, because we do have a market where we have a number of governments willing to hand over money to these organizations because they don't want to have capital development on the books.

How is it working? Retirement REIT performance for the three months ended September 30, 2003, had revenues of \$109 million. If you take off the direct operating and the general admin of those facilities, they had about a 17.5% return on their revenues. If you take off the interest, depreciation and amortization, which you could argue the government would have to also invoke to build and maintain facilities, they still had a 7.4% return this year, up slightly from last year, when they had \$89 million in revenues for the same quarter. That's probably a good reflection of what is happening with the numbers. Again, here's 7.4% of the money that's going to investors instead of staying in the health care system for other program areas.

Extencicare has also had a pretty good run with long-term-care facilities. In November they released their third quarter earnings: a 75% increase. In their press release they thanked the Ontario and Alberta governments, in effect, for significant increases in their revenues and their profit margins. Yes, we are probably running a deficit in the organizations that we run as a public government, especially if we're increasing revenues in private entities that we're contracting to by these rates.

What else is costing us more? Why else are we spending so much more on health care? One of the options that I would point out is that in the drug cost area the increase in costs for Ontario drugs has been about 130% in less than 10 years. Meanwhile, pharmaceuticals seem to be doing pretty well on the profit side too, so it looks like there is an improved margin in that.

Delisting of services: There has been a lot of talk about delisting. There have been a number of services delisted. Yes, it may well save a little bit of money upfront, but the person needing those services is reaching into their pocket, often for a lot more than they're going to be able to receive for a small tax break that they've gotten so far. As well, the health care costs and the other agency costs of delisting services at the stage that we're at now, around things like addiction care, substance abuse and mental health, are creating costs, unexpected but not unpredictable, in other social service areas.

Home care is another thing where we've talked about managed competition, but really we've destabilized a program that's been critical in allowing people to stay in their homes and to be able to have some level of independence. Without access to home care, people are not able to take care of themselves. They're not able to deal with their health issues at an initial stage and they end up in more expensive institutional care facilities.

Responsible spending is not about cutting the services that we offer to people in this province. The Ministry of Finance assumptions for tax revenues this year, in 2003, indicate the corporate profit projections were to be about an 11.5% increase in growth, overall, in corporate profits. Yet the corporate tax revenue numbers that we look at show a drop of 3% between 2003 and 2002 fiscals. So I ask you, how is it exactly that the profits continue to grow and our revenues drop: systemic or planned deficit?

Publicizing services could well be a way to save more money instead of privatizing them. If you look at the operating cost per bed in long-term-care facilities—again, the Ministry of Finance numbers project the cost of a long-term-care facility bed at about \$30,000—take that 7% we talked about off that and you're saving \$2,000 per bed by keeping them in the public health care system and not contracting them to private delivery models.

Borrowing is an acceptable measure to protect our social programs in the short run, as we move forward.

We have a bit of a concern in terms of what is going to be happening to try to address the issues around budget. We've spent a number of years listening to the benefits of administrative savings and all the efficiencies that we

can somehow achieve by improving that. It seems that now we're talking again about steering, not rowing. We're talking about alternative service. We're talking about wonderful opportunities for finding partners in the private sector and ways to do amazing things to do more with less. I'm here to suggest that doing more with less only goes so far and in fact you cannot continue to do more with less. The programs and the services that we provide to the public do have a cost attached to them. The cost is indeed significant but it's a cost that can't be flimflammed away with whatever this week's rhetoric is; it's a cost that has to be accepted, admitted to and borne.

The dilemma that the Liberal government faces—and I know we have representatives of all three parties here, but the reality is that the Liberal government was elected on their promises and the Liberal government has the majority and will ultimately be making the decisions—is whether they want to honour a promise to the Canadian Taxpayers Federation and continue cuts to manage a number which should have been known before the election was over, or whether they want to honour the promise to the voters of Ontario to renew social programs and public services.

Our bottom line as a health coalition, Thunder Bay and provincially, is that we believe we are willing to pay our fair share, because we support fair taxation to support social programs. We can't afford privatization. It's a hidden tax that's in the numbers. If you look at the numbers, they're there.

Medicare's future is at stake. We've got to reinvest in public health care. The studies are showing how close we came to a major breakdown during the SARS epidemic because of the cuts that we've experienced.

We voted for a change and we mean it. It's time to keep the promise about change and not go back to the deficit-fighting arguments which have cost us a lot of programs in the past decade.

The March budget is going to be an opportunity to choose, as the Premier said on election eve, whether you want to choose better schools and health care, whether you want to choose more family doctors, nurses and hospital beds, instead of a failed approach that has put us in 10th place in this country as far as standards.

I would invite you to investigate carefully before following the British models which have put them significantly behind the eight ball in some of the privatization models that they've done. There have been a number of studies that show that is not the change that should be chosen if we want to improve public services.

Thank you.

The Chair: We only have time for questions from one party—three minutes—and in this rotation it would go to the NDP.

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Mr Howard Hampton (Kenora-Rainy River): Thank you very much for a very informative brief. I simply want to zero in on a couple of things that you referred to.

One of the things we've heard a lot of since the election is that the government has been bringing over so-called British experts who talk a lot about public-private financing. But anything I've read about public-private financing in Britain—when you look at the public-private financing of hospitals 10 years later, you've paid twice for the hospital. You paid for the physical infrastructure, and then you paid for the corporate profits and salaries and the bonuses and everything else—not a very good deal. You end up paying twice for the hospital.

I find it disturbing that the government is now entertaining all sorts of ideas like that. You pointed out that from your perspective you end up paying twice on a number of fronts. I wonder if you could just elaborate on the sort of false economy of privatization.

Mr Campbell: I think there are a couple of aspects to the privatization model that are particularly misleading. One, of course, is the concept of better service delivery.

If you take a look, as you pointed out, at the studies that have come out of England, there are initial cash flow benefits to it, and there are certainly some tax benefits if you keep your personal and corporate taxes up, because there are corporations doing far better than they would have before. However, from a patient care point of view, the numbers do not indicate improvements. They actually indicate degradation in those services. There are studies from England that we have information from which clearly indicate that. You actually do not improve the health care system. It merely indicates there are some numbers that look a little different on one balance sheet from another.

The argument around privatization, and one of the major concerns we have around the P3 hospital arrangements, is we're talking with investors who would then operate those hospitals, as we understand it, given how little information has been released even since the election. Those private developers are not going to be particularly interested in cutting their profits or reducing their return. They have to go out and deal in the financial markets the same as the province does. I have to believe that a private consortium building a hospital isn't going to be able to get a significantly better mortgage rate than the government. So in a best-case scenario, you're going to have the administrative cost of putting a level of structure between the government funding and the actual builders of the hospital. Instead of contracting for the building, you're now contracting for somebody to go out, find the money and then build the services and go around the existing financing agencies that are already built into the government.

As well, if you look at some of these transfers, they're through operating funding. If you look at what the health care budget looks like now and you say, "Look at their operating funding," and you look at what the health budget might have looked like had we provided a public hospital system and public facilities, you would definitely have a very different picture of the capital investment we've gone through. We basically provided

funds to private corporations through our operating budget to build facilities. So they're not on our books any more as a province. However, they're on a corporation's books somewhere and we appear to have a terrible operational deficit problem.

If I was to buy my house and pretend it was operating instead of something I was going to pay off over 20 years, I'd probably look like I had a really bad year too if I had to go out and spend \$150,000 and my income was only \$40,000. If you're financing something, then you should be honest about it and admit that as a capital investment, not try to treat it as if it's some sort of operating cost. Those facilities should be public. We're certainly paying for them as if they're public; however, somebody else is picking up some money and we're not getting recognition of it in our financial records.

The Chair: Thank you for your presentation this morning.

Mr Tim Peterson (Mississauga South): A point for research, Mr Chair: He made a financial presentation and did not include any tax effects in it. We are a government, and we do collect taxes. I think it would be interesting if we could have that reviewed.

The Chair: I don't think there's a question for research in that.

LAKEHEAD UNIVERSITY STUDENT UNION

The Chair: I call on the Lakehead University Student Union. You have 20 minutes for your presentation. You may leave time within those 20 minutes for questions, if you desire. I would ask you to state your name for the purposes of Hansard.

Mr Sean Hannaford: My name is Sean Hannaford. I'm not here as a lawyer, professional lobbyist, mathematician or accountant. I'm not even a business major. I'm an English major on leave from my studies for the year to represent the students of Lakehead University as their student union president. As president of LUSU, I speak for more than 7,000 full- and part-time students at Lakehead University. As well, I represent more than 450,000 student members of the Canadian Federation of Students across Canada, with a majority of those members residing at universities within Ontario.

I will not be presenting you with spreadsheets or budget codes, and I won't tell you how much you need to spend or how much the solutions to problems cost. Rather, I will give you an account of what worries Lakehead students, and leave it to you, the professional politicians who are here to represent us and solve our current problems within post-secondary education.

I'd first like to just give you a brief outline of what the Lakehead University Student Union is. We are a democratic, non-profit, service-oriented corporation. We strive to provide an inclusive environment for all students at Lakehead. We provide social growth, different programs and events. Just yesterday, if any of you have the Chronicle-Journal in front of you, we had a little bit of a

rally as part of the national day of action within the CFS. We are, I believe, on the third page of the newspaper. I was in a makeshift jail cell, trying to make aware the current debt load that students hold, which is around \$25,000 once they graduate or leave university.

Since time is of the essence, I will get right to the point. There are, I think, four key problems that need to be addressed specifically at Lakehead University and probably across the board at Ontario universities and colleges.

First, access: I believe that every interested student who is able to meet the academic admission requirements of a post-secondary institution of their choice should be allowed access to an education, regardless of their financial background. By deregulating most professional programs, such as medicine, law, journalism and dentistry, we marginalize students, such as students of colour, aboriginals, the disabled, mature students and students with families. Oftentimes, going to professional schools is the stuff that dreams are made of. Growing up, those same aforementioned marginalized students are the ones who dream of becoming a great surgeon or public defender, and currently those dreams are crushed because only those who can meet the financial standards, which have dramatically increased in recent years due to deregulation, are able to attend these schools. This is wrong and needs to be reversed immediately.

While loans are an answer for some people and the prospect of a degree may offer the chance for immediate success in the business world, that is not the case for the majority of students. On average, students will leave university with a debt load of approximately \$25,000. How is a recent graduate, working as a server or salesperson, going to be able to pay back such a great sum? I ask you, should education only be for the wealthy, and is an educated society something we want to see disappear? If you answer no to either of these questions, please consider abolishing deregulation and improving the current grant system for students.

Secondly, financial aid concerns: After inflation and growth, provincial grants to universities for 2002-03 were approximately \$534 million below their 1996-97 averages. As previously mentioned, students leave university with a great debt load. There is a need for grants, not loans, in our society to allow people in middle and lower income brackets to attend schools of higher learning. Again I ask, should education only be for wealthy students? Is an education something we want to see disappear within our society?

Thirdly, probably one of the biggest problems currently at most northern universities, and especially at Lakehead University, is the equation for basic income units. Currently, only 90% of the students at Lakehead University are covered by this equation, which has resulted in a shortfall of approximately \$2.5 million. This means that a large portion of student funds are going to cover pertinent basic things that they should not be covering, such as professors' salaries and maintenance of buildings. This is ridiculous. Our education should be a priority to you folks, and something needs to be done.

As a northern school, Lakehead University offers the chance at a university education to many diverse potential students, from First Nations students to those who live in remote areas of northern Ontario. Without northern schools, many of these students would not have access to a university education, because they could not meet the financial requirements. They either wouldn't be able to afford the cost of relocation or of providing a car or rent or, for a variety of other reasons, would not be able to attend, leaving their homes and going to bigger cities.

Lakehead University's population is currently nearly 20% aboriginal, and I believe that our northern placement and focus on aboriginal issues in a variety of classes is of great interest and value to our society. I ask you, should education only be in major urban areas, which are inaccessible to a large portion of students in Ontario, especially northern Ontario? Is an educated society something we want to see disappear?

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Lastly, deferred maintenance: Currently, Lakehead University is behind in deferred maintenance, at approximately \$34 million. That means that buildings and constant repairs are not happening. This poses potential health and safety factors for students, staff, faculty and the public at large. Currently, some ramps and elevator equipment barely meet the standards, but there's no money to actually fix these and update them so they're not just meeting the standards but exceeding them. Universities should be a place of growth, a place where more than just the bare minimum standards are met. I ask all of you, would you work in a building that leaked when it rains? Currently, the LUSU office is in the tunnels at Lakehead University, and whenever it rains—a couple of days ago when the snow was melting, there were puddles everywhere. The costs to fix that are extremely dramatic. At this time, I believe only \$400,000 or \$500,000 per school goes into deferred maintenance every year, and that just doesn't fix anything when you've got a \$34-million debt load.

My point is, if you answered no to any of the questions I've asked you today, something needs to be done. I trust that you will find a way to improve the standard of post-secondary education in Ontario.

The Chair: Thank you for your presentation. We have about four minutes per party, and we'll begin with the government.

Mr Bill Mauro (Thunder Bay-Atikokan): Thank you for your presentation. I know we're all under timelines and you're rushing a bit as you speak. But I'd appreciate it now if you would take a bit more time to more fully explain for people here the issue of basic income units, how long a problem it has been for Lakehead University and other northern universities and the impact it has in terms of all of the other services that are offered at universities—the drag this creates on those services.

Mr Hannaford: I'll do my best to answer that. BIUs, or basic income units, is a mathematical equation that

gives points for four-year honours students and full-time students, as well as a lesser point value to part-time students. These points add up to create a basic level for what each school should be getting financially from the government. The equation hasn't been changed in I couldn't even tell you how many years, and that has just put the debt load further on the universities. That means that 10% of our student population isn't currently being funded at all by the government. Professors, maintenance crews, physical plant work that needs to be done around the campus, improvements to facilities, classes, board-rooms, offices, any sort of technological advance is basically coming out of the students' pockets and not going toward classroom teaching. That's irresponsible. Something needs to be done on that level, and I hope you folks can fix that in this current budget.

Mr Peterson: I was fascinated by what you said about 20% of your students being aboriginal. How does that reflect in terms of the population up here? Is that above or below the norm?

Mr Hannaford: I believe it's actually somewhere closer to 17% or 18%. To tell you the truth, I honestly don't exactly know the percentage of aboriginal people in Thunder Bay, but I would imagine it's somewhere around there, if not higher—probably around 30% or 40%. I'm not really sure. I have no idea what the percentage is. I'm not from here. I'm only here eight months a year, so I can't really tell you.

Mr Peterson: Our government is looking at capping tuition and has made some moves in that direction. Yet some of that money could have been used for increasing the number of places, which would have helped us with the double cohort bulge. Do you have any sense how we could prioritize the money? Is it more important for students to have a cap, or is it more important to get more places up here?

Mr Hannaford: I think that's a trick question. You're asking me to choose between my left hand and my right hand: Which one should I chop off? I think both are equally important and we need to find more money to make both available.

Mr Peterson: If we don't have more money, which one would you ask us to choose, if we have to choose?

Mr Hannaford: I don't think it should be a choice, to tell you the truth. I think you need to find a way to do it, regardless.

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

Mr Hampton: I'd be happy to ask all the opposition questions since I'm the only person from the opposition here. So thank you, Chair.

The question that was just put to you is now truly in question, because that's not the question the Liberals were asking before the election. The question they were asking before the election was, "Please vote for us because we'll make all these investments." Now they seem to be saying, "Gee, you know, maybe we were naive in saying those things before the election, or maybe we didn't mean it." Now they seem to be saying, "Ha, where do we cut, or where do we privatize, or where do

we increase user fees?" So I want to ask you this, and I guess I'm asking you this for the edification of the Liberal members: Do you think it's more important for the government to keep its promise to the Canadian Taxpayers Federation, which says, "Above all, balance the budget; above all, no tax increases, and if you have to, to balance the budget, privatize hospitals, privatize health care, privatize education, privatize public services"? Do you think they should keep that promise, or do you think they should keep the promise about investing in our public services, investing in the things that the majority of us need every day? Which promise do you want them to keep?

Mr Hannaford: I think the problem with politics in this day and age, and probably with politics in general, is that politicians seem not to keep their promises. Ideally, both those promises should be kept. Obviously, as a student, as the president of the Lakehead University Student Union, I feel the latter promise should be kept because that was a promise to us, but both promises should definitely be kept. Why just say anything? Why go out and make your platform, have your stance, fool people into believing in you and then go and turn everything around and say, "You know what? Now that I'm in here, it doesn't seem like this is plausible or possible, so I guess I'll hem and haw and make a few minor changes to appease a few people," rather than keeping your word? I think that's what needs to be done. People need to keep their word, be accountable for their actions.

Mr Hampton: From the perspective of somebody who is a post-secondary student now, how do you see yourself paying off a \$25,000 debt? Assuming when you graduate from Lakehead that you're like the average university student and you go away from here with a \$25,000 debt, how do you see yourself paying that, plus the interest? As I understand it, now the interest is payable within six months after you graduate. How do you do that when most people graduating have perhaps a tough time finding a job, and probably the first job isn't a high-income job?

Mr Hannaford: It's a difficult conundrum. You've gone to university with this whole promise that the future will be bright and you come out owing \$25,000 or more. If you're a doctor, you're owing upwards of \$80,000, \$100,000, what have you. If you don't have a wealthy family who can support you, if you don't have close friends who can help you out, you're kind of behind the eight ball. If you come out of university and the best you can do is have a couple of serving jobs or work in retail, you're never going to get ahead. At the same time, how are you going to start applying for those real professional jobs that you thought, "This four-year degree will allow me this bright future and this nice corporate job"? It's just not going to happen. You can't balance everything when you owe hundreds of dollars every month to the government for OSAP or whatnot, rent. If you are fortunate enough not to have a family, out of university, and you're on your own and you only have to support

yourself, it makes it maybe a little easier. But imagine that you're disabled or you have any sort of social ailment that's pressuring you just to stay ahead and stay afloat; it's not going to happen. You're going to end up in less than acceptable jobs for someone who has a great degree, a professional degree.

The Chair: Thank you for your presentation this morning.

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LAKEHEAD UNIVERSITY

The Chair: I call upon Lakehead University. Good morning, gentlemen. You have 20 minutes for your presentation. You may allow for questions within that 20 minutes if you so desire. I would ask you to state your names for the purposes of our recording Hansard.

Dr Fred Gilbert: I am Fred Gilbert, president of Lakehead University.

Mr Michael Pawlowski: Michael Pawlowski, vice-president, administration and finance, Lakehead University.

Dr Gilbert: Thank you for this opportunity. What we will be presenting this morning is symptomatic, I think, of some of the system problems within the university sector of post-secondary education, but we want to use this opportunity to give you some perspective on the special conditions that affect Lakehead University.

As you've heard from the student union president, one of the issues that has beset Lakehead University for over 15 years now has been the issue of unfunded students, the unfunded BIUs. The basic income unit is in fact a measure of the degree program that the student is in and it is reflective of a higher count for students who are in professional programs, students who are in graduate education. But the conundrum we have faced as a university is that we have had as many as 25% to 30% of our students unfunded by the government grant.

Last year we had some compensatory action taken that assisted us with the unfunded student situation, and that was an increase in the northern grant. The increase in the northern grant affected all three universities in the north. Only two of those universities have had the same type of problem, that is, unfunded BIUs. The third university, which in fact was not in that situation, also received an increase in the northern grant. It means at this point in time we are somewhere between \$2 million and \$3 million underfunded. The impact over the previous decade was approximately \$60 million. I don't need to tell you what the consequences of that underfunding have been for a university of our size.

We also have other issues related to revenue funding for the university. The freeze in tuition will affect our university by meaning that \$650,000 in revenue that would have come from the allowed increases in regulated and deregulated tuition fees will not occur. We ask this government to understand the consequences of that, to understand that our budgeting has been based upon policy that was established by the previous government

and that we will be in a difficult situation if the revenues we are counting on do not materialize for this coming year. One of those is the tuition revenue. In our case it's a \$650,000 issue and in the case of the system I believe it's closer to \$70 million.

Quality assurance funding was another policy that had been put forward and approved by the previous government. This was in addition to full average-cost funding for each student within the university system intended to start to make up for some of the lack of inflationary funding that had been in place for the better part of a decade. This was also recognition that the universities were coping with the increases in student populations that had resulted from the double cohort, and this was an attempt to ensure that there would be at least maintenance of appropriate quality levels within the universities. Again, our budgeting and our expectations within our university were dependent upon these revenue sources that at this point in time appear to be in some jeopardy.

The deferred maintenance issue has already been indicated. The deferred maintenance issue again is not unique to Lakehead University. Within the system we're looking at probably slightly more than \$1 billion in deferred maintenance costs that are sitting out there as issues to be dealt with. Across the country there is almost \$2 billion in deferred maintenance at universities and colleges.

In our case, we have a special problem in the sense that most of our buildings were put in place during the 1960s and early 1970s and as a result the construction included asbestos. Any work we do now on these buildings requires that we put in place special conditions during the construction phase to control the asbestos and in fact remove it. That means, although we have a \$34-million deferred maintenance issue facing us, if we were to act on many of those areas, we would have an additional 50% cost because we have to control the asbestos problem while we intervene.

As a university and again as a system, we have a situation where the SuperBuild funding that was put in place to fund the expansion of the university system for the double cohort did not provide full funding. In our case, it provided 50% of the cost of the advanced technology and academic centre at the university. We have been fundraising for the additional cost. This is a \$44-million project; we've been fundraising for close to \$23 million.

Needless to say, we're in a very competitive environment out there for fundraising at this point in time and the issue we're facing, which some of the other universities are facing, is that in the foreseeable future we will probably have to finance some of the cost of this construction. We ask this government to consider that if they are not in a position to provide the full capital cost, some consideration be given to providing to the university sector interest-free loans that would allow us to reduce the impact this will have on our operating budgets.

The Northern Ontario Medical School is a very special and important initiative for northern Ontario and we believe for rural and remote areas in the country, and that includes areas of southern Ontario as well as northern Ontario. Again, this is a funding issue in that the plans for the Northern Ontario Medical School for the Thunder Bay campus clearly indicate what the capital costs are going to be to meet the needs of the numbers of students who have been allocated to the campus. The funding that has been generated in terms of capital for the Thunder Bay campus is insufficient to meet the needs of the campus requirements. We're underfunded probably by close to \$5 million at this point in time. The most important impact of that is that when we complete the construction of the three-storey building that will be underway this spring, an entire floor, in fact the research component of that building, will be shelved. We do not have the funding to complete the third floor of this building and provide the incentive for recruitment of the faculty, that is, that they will be able to step into a research lab once they arrive.

In addition to that, because of a government delay in decisions related to the siting of the Northern Ontario Medical School at Lakehead campus, we had to delay construction on ATAC. The cost of that delay amounted to close to half a million dollars. Again, government has not reimbursed the university for that capital cost, which we have absorbed at this point in time.

I don't think I need to tell you what the economic benefits of Lakehead University are to this community. In fact, the opportunities for innovation, economic development and, in our case, biotechnology development in the city of Thunder Bay are really a reflection of the research activities at this university, and I think you can say that for any of the research universities within the province. They have a special role to play in economic development and in terms of the socio-economic future of the province.

The last item I'd like to address is that we recognize the government is dealing with a deficit at this point in time. We know that all options are on the table. We simply want to caution the government about moving in the direction of increasing taxes at this point in time, and let me give you the rationale for that. Part of the attraction in terms of both business and, in our case, attracting faculty is the taxation climate within the province. If we were to reverse some of the actions that have been taken to put this province in a more competitive position, it will I think compromise our capacity to recruit faculty, as one example.

1030

Although it's certainly not popular, and we know that it has been in some cases put forward as an option but not endorsed, either by commissions or by other approaches—the fact is that the biggest cost factor that government is dealing with right now is the health sector. The increases in costs there have been such that they have detracted from the ability of government to fund other areas. The suggestion is that this is an area where

user fees, copayments, really do make sense. There are lots of examples from other jurisdictions where even minimal copayments have reduced the pressures on the health care system. We put that simply as a reflection of something that we think should be seriously considered by government.

That's our presentation. I'd be happy to respond to questions that you may have.

The Chair: Thank you. We have about three minutes per party. We'll begin this rotation with the official opposition.

Mr O'Toole: Thank you very much for the presentation. I did manage to read through, even though I wasn't here, and I apologize for that. I would say I'm quite familiar with the school, as I had a daughter graduate from Lakehead in education.

The Northern Ontario Medical School was really an important, quite explosive issue when it was being developed. The delays are understandable with the two-campus concept. I don't think they can be always—I think the project finally being committed to is extremely important in the longer run to deal with some of the issues around the shortage of doctors, specifically in the north. I'm confident that the new government will have plenty of money to bring to the north, hopefully, because that's really an important longer-term solution for the shortage. I'm surprised when you say the third story won't be completed. You could really respond to that. The research labs and all of that are kind of important when you look at leading-edge medicine.

But I'm really looking at the whole concept, as you mentioned in your presentation, of the word “innovation.” Innovation in the public sector is not a conundrum, but it's difficult because of the cultural traditions that occur and the autonomy that occurs, not just with the faculty issues—who does what for how much money, when, what's the tenure, and all that kind of stuff. How do you deal with innovation when you're trying to look at the new concepts of e-learning, NORTH Network, multi-functional research projects that could be in Boston? They're not just here; they're kind of collaborative. That innovation is going to mean that you break most of the traditional cultural relationships and fund real innovation—people who aren't just tenured people who are due for a top-up. Do you understand?

Dr Gilbert: I think I can understand where you're going with that question. That's part of the reason that the university made a commitment to be at the forefront of technological learning. The advanced technology and academic centre, which is now in operation, provides the university with the outreach capacity to link in with other members of not just the postsecondary education sector but the private industry sector. That means we can capitalize on the technology in that building to do innovative things, both in terms of delivery of education and also in meeting some of the needs that industry and the public sector have.

Mr O'Toole: Actually, it's a commercial relationship, technically. It's taking knowledge and commercializing

it. It sounds a little bit crass, but actually that's its value to society: just getting it to the market.

Dr Gilbert: That's part of the premise of the Northern Ontario Medical School, a recognition that the shared resources between two universities and the capacity of the Internet are going to be important to allow us to reach out to northern Ontario and to bring the best from around the world as part of the educational function of that facility.

Mr O'Toole: Good luck. Thank you.

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

Mr Hampton: I'm struck by your last recommendation. Your brief seems to argue persuasively in terms of more public funding for education, but you then point out that the way to do that is to impose copayment fees or user fees on the health care system.

If I remember correctly, Mr Romanow and his commission canvassed this issue rather exhaustively, and his conclusion—you may have read it more closely than I—was that user fees, in effect, often had a negative impact on health in the sense that if you put user fees at the front end, people will get sicker before they go to the health care system and they very often will end up in an acute care facility or under acute care attention, which costs a great deal of money. In fact, his argument was that you really need to open the door to health care sooner in terms of prevention and health education.

Dr Gilbert: I have read the Romanow report and I'm aware of the different arguments that are presented related to this. That's why I said minimal copayment. There is evidence from the United Kingdom and other jurisdictions that have put in place minimal copayment requirements, or user fees as they're called, that they relieve the pressure on the system because the people who have minor ailments do not use the system the way they currently do when it's fully free.

If you increase above a certain threshold, then the situation that you have mentioned does in fact pertain. You have to be very careful to ensure that you do continue to provide access to the people who require service. The issue is one of finding that appropriate balance.

Mr Hampton: I just want to follow up, then. You live in northwestern Ontario; I live in northwestern Ontario. From my perspective, the most difficult health issues we confront are the health issues of the aboriginal people, who have very low incomes, and yet the federal government's funding of aboriginal health care is probably at a Third World level. I wonder how imposing health care user fees would impact on people who are already very poor and are, I would argue, grossly underserved in terms of access to health care.

Dr Gilbert: I don't argue with what you're presenting, but I'm saying that that is a sub-segment, in effect, of the total issues related to health care. There is no question that the need to provide appropriate health care to aboriginal peoples is part of the reason we have the Northern Ontario Medical School in place, and that is to ensure that we have co-operation among the various

health providers to ensure that the delivery of health care is appropriate in some of these aboriginal communities.

The issue is complex. But the population centre is not northwestern Ontario. The population centre in this province is in fact southern Ontario; it's the GTA. That's where the primary pressures on the system in terms of dollars occur. If you look at that in relationship to the impact, that's where the savings can be generated.

The Chair: We'll move to the government.

Mr Mike Colle (Eglinton-Lawrence): There are some very provocative things in this presentation, Dr Gilbert. The first thing that interests me is your comment that we ought not to increase taxes. How are we ever going to pay, then, for this deficit? The previous government increased the debt by \$50 billion, which costs us \$10 billion a year to finance. How are we going to pay for the university demands?

On top of that, we're getting comments from corporate people who are saying, "The biggest advantage I have in recruiting people to Canada is they don't have to pay for their private health care. If I hire someone in the States"—there are people who have offices in Canada and the United States—"I have to top up their salary by up to US\$20,000, whereas in Canada, because of the public health care system, I don't have to give that employee that top-up." So you're saying it's more important, in recruiting people, to have lower taxes rather than a good health care system?

1040

Dr Gilbert: No, I didn't say that. I think you're putting words into what I presented, which did not in fact make that distinction. What I said was that when this government looks at its options related to raising revenues, instead of immediately moving to increase taxes it should look at other options, including copayments in the health care system.

Mr Colle: The other thing is, briefly, what's the core of the underfunded student problem here in Lakehead? Where did that start and what's the germ of that?

Dr Gilbert: The germ of that relates to about 1988-89, when the formula funding was put in place. It was a corridor funding base, and at that point in time the universities were asked to establish what their corridor midpoint would be. The corridor was a 3% band on either side of the corridor midpoint within which your student numbers could fluctuate but you would still be funded at your corridor midpoint level. This university requested at that point in time a corridor midpoint setting higher than it received. It was told, as all universities were, that should there be a consistent period of time over which they exceeded that corridor there would be a revision of the corridor. This university, within the third year after its corridor was set at a value below what it requested, exceeded that and has exceeded it ever since. That means that the differential between that 3% band over the corridor midpoint for Lakehead University and the actual number of students represented students who did not receive government grant for that entire period of time.

Mr Colle: So basically it was a benchmark problem.

The Chair: Thank you for your presentation this morning.

Mr O'Toole: Mr Chair, before the next presenter, I'd like to clarify on the record that the previous government did not incur, or put, \$50 billion on the debt. I just want that to clarify the record. We've established that in previous meetings.

Interjections.

The Chair: Order, please. If the committee would recall, you're asking research to research that very point, so it would seem unusual to come back and ask for research to do it again. We have it on the table that research is looking into that particular figure for the benefit of all the committee.

I call upon the Nishnawbe-Aski Nation.

They're not here.

Is the Thunder Bay Regional Health Sciences Centre here?

ONTARIO SECONDARY SCHOOL
TEACHERS' FEDERATION,
DISTRICT 6A

The Chair: It's my understanding that the Ontario Secondary School Teachers' Federation, district 6A, has just entered the room. They need a moment to come forward. We'll oblige them with that.

The committee appreciates your being early this morning and your ability to move up from your normal time slot. You have 20 minutes for your presentation. Within those 20 minutes you may leave time for questions if you so desire. I ask you to identify yourselves for the purposes of Hansard. You may begin.

Mr Terry Hamilton: Thank you and good morning. I'm Terry Hamilton. I'm the president of district 6A, Thunder Bay, of the Ontario Secondary School Teachers' Federation. With me today is Susan Smith, president of the education assistance bargaining unit of the OSSTF locally.

We would like to thank the committee for being given the opportunity to present this morning. As this will be the government's first budget, it will clearly show the citizens of Ontario the path that the government is planning on taking. We hope that the first steps the government takes are in the right direction—I perhaps should have said the correct direction; I'm not sure you want to go any farther right. The last election gave the Liberals a strong mandate to change the direction of the province. Unfortunately, this government is being impeded by the Balanced Budget Act and the Taxpayer Protection Act. We believe that no previous government should be able to shackle the current government with a passé ideology, and we encourage the government to repeal these two unproductive pieces of legislation.

We applaud the government for quickly eliminating both the private school tax credit and the exemption for seniors from the public education component of the property tax, and we hope that the government can continue to support and strengthen public education in Ontario.

Our first recommendation is to adjust the education funding formula benchmarks and review the funding formula annually. Dr Rozanski determined that by not adjusting the benchmark costs of the funding formula to keep up with inflation, public education was underfunded by over \$1 billion. The Conservative government started to address this problem by adding \$350 million to public education last year and had promised a similar amount for this year if they were re-elected. These costs were the first two years of the three-year catch-up phase recommended by Dr Rozanski. We believe that this must continue; however, even if the government continues to commit funds to address this underfunding, public education will remain underfunded due to inflation over the three years of this catch-up phase. We believe that there should be something in place to account for inflation during this period.

We also realize that there are other issues related to the funding formula. Services in the funding formula are categorized as classroom and non-classroom components. Funds granted for classroom components cannot be shifted to non-classroom components; however, funds granted to non-classroom components can be shifted into classroom budget items. This is what boards were forced to do as budgets became underfunded. This has especially affected support staff workers. Also, as funds can be shifted between classroom components, cuts have been made to things like classroom supplies, library staff, guidance staff and staff development. Appropriate levels of support in these areas should be determined and properly funded.

We believe that attempting to give students across the province the same access and opportunities to public education is a worthy goal. We also believe that a formula is an objective way to determine funding; however, the difficulty in creating a formula that is fair for every part of the province must be daunting. The extreme cold that has affected parts of the province in the last month and has driven up heating costs only serves to emphasize this point. Also, other utility costs have risen dramatically. I know that the Lakehead board, for instance, is looking at putting a further \$700,000 toward utility costs for next year because they're concerned about increases in their hydro rates. The funding formula should be reviewed annually, with adjustments made for inflation.

Susan Smith will speak to our second recommendation, that the intensive support amount section of the funding formula should be reconstructed to reduce the paperwork involved in the application process.

Ms Sue Smith: Special education teachers spend an inordinate amount of time on the paperwork, and this ISA funding process only makes this worse. Specialist teachers or special classroom teachers have to complete IEPs for all their students within 30 days of school; their October reports are due; IPRCs are due for new students, which then involves another IEP for the students; and at the same time, these ISCIS submissions must be completed. It's a lengthy process. As an educational assistant in our school board, I see first-hand what happens to the

teachers when they're spending this much time on the paperwork. They're not then able to spend the time with the students whom they should be helping out in the programs.

This process involves not only the paperwork, but the gathering of the information for that paperwork, which involves maybe a physician or an audiologist or someone you don't have easy access to. It's not something you can do on the weekends or in an evening. All of this is required at the same that the special classroom teacher or specialist teacher would be teaching all day long as well as be trying to organize their department. All of this is done with limited resources.

The manpower hours, as I've said before, that are used to complete these claims could be used to assist student programming to all students so they have equal opportunities.

1050

The applications are often rejected because the exact language required was not used. These applications are being submitted by experts in education and experts who are working with special-needs students. We really wonder how many of our special-needs students do not have the support they need due to the application process being rejected for this reason.

Then there's the other side of it: the claims that are approved that generate the funding for the local school boards. Then they have the difficult task of deciding which students receive that support. The funds aren't allocated on a student-specific basis, so that way the board has to almost look at each disability, which then pits the disability against another disability, and it almost comes down to who can lobby the best.

We worry about the students who don't meet these ISA profiles. These grants are established for the boards' overall allocation for special education, not for specific need. We feel that the government must fully implement all of the special education recommendations of the Rozanski report.

Mr Hamilton: Our third recommendation is that school support staff, including office, clerical, technical and plant support workers, should receive adequate and dedicated funding. I've already talked about the problems between classroom and non-classroom components. This is another example.

The school operations allocation of the pupil accommodation grant provides funds for heating, lighting, cleaning and other routine maintenance of schools. As heating and lighting are fixed costs, custodial services and routine maintenance have been cut back. This has caused many problems, both inside and outside of our schools. This time of year is especially difficult for our custodial staff. Clearing snow from all the entrances of a school is a serious safety concern, yet our schools have either one or two custodians and less than two hours to do all of this before students start to arrive. While this is happening, other maintenance and cleaning is not happening in the schools.

As a matter of fact, when I was talking to a principal this week, he told me that his head custodian had asked him to bring in extra custodial help. He wanted this extra custodial help to remove snow drifts that had piled up against the windows of the school. Of course, they started to melt, and this water was going to be causing problems with the building, including, I believe, mould eventually in the classrooms.

Also, because of the lack of custodial time, simple maintenance is not being done in the schools. Instead of repairing lockers, in some schools they're just being bolted shut and left unused.

Custodians are in the halls when teachers are in the classrooms with students. This is an adult presence that adds to the safety of our schools. They are usually the first people who notice visitors coming in and out of our schools.

Other areas have also been affected. We have fewer office staff, in spite of the fact there are greater demands for reporting to the Ministry of Education. Increasing accountability is a goal of every government, but this increases the workload for the office staff.

The education system requires a team of professionals working at numerous tasks. All of the members of the team are required to support our students in their education. Setting benchmarks at the appropriate level would help alleviate some of these concerns.

Our fourth recommendation is to eliminate the Education Quality and Accountability Office and reinvest the savings in supporting teachers with diagnostic testing that can be used to improve student learning. This organization that's supposed to improve accountability doesn't seem to be very accountable itself. The services supplied by the EQAO could be done by the Ministry of Education at a much lower cost. Also, these tests are high-pressure tests for students. I wonder how many people in this room would be willing to sit through a three-hour test two days in a row, and that's just the grade 10 literacy test.

Mr Colle: How many could pass? I'd be interested.

Interjection: I think our side could pass it.

Mr Hamilton: The information gathered by these tests is not actually used to individualize programs for students. It's used more often to punish schools and school boards. If these tests were eliminated, the savings could be used to support teachers to use diagnostic tests to develop individualized programs for students. This would really improve student learning.

The majority of the students who do not pass the grade 10 literacy test are in the applied or workplace streams, although almost all of these students are not earning credits quickly enough to be able to graduate in four years. So the tests are not actually telling students, parents and teachers things that they don't already know. One of the principals I was talking to this week was saying that he had 28 students in grade 12 now who have not passed the literacy test yet. Only two of those are actually in the university stream, and part of the problem was that they only chose to write the test once. The rest are all workplace students, and I believe some of those

students are missed because they do not fit the profiles for ISA funding. These students, like I said, continually are not given the opportunities they probably deserve.

This leads me to the fifth recommendation, that the government should re-establish the funding level for students over the age of 21 to the same level as high school students in regular day schools. Those students who are not able to graduate on time, who are not able to pass the literacy test and are still trying to get a high school education wind up being at schools longer, wind up being there when they're over that age where all of a sudden the funding drops to about a third of what it was for them when they were under 21. These students haven't received the support all the way along that they deserve. We recommend that the province reinstitute the funding at an appropriate level for these students.

In the long run, a better-educated workforce is going to benefit the province and the economy. I think that in the information technology age it's important for all of our students to have an education.

I'd like to thank the committee again and remind the government that in the throne speech of November 20 they said, "It's time to begin to build a new path, with co-operation, creativity and a genuine commitment for what's best for our" students.

At this time, we'd welcome any questions the committee would like to ask of us.

The Chair: Thank you very much. We have about three minutes per party and we begin with the NDP.

Mr Hampton: Thank you very much for a brief which was very specific and I think zeroes in on some of the really important issues.

I want to ask you about your first recommendation to adjust the education funding formula benchmarks and review the funding formula annually. If I remember correctly, Dr Rozanski actually said that the public school system is being underfunded to—I believe he used a figure of almost \$2 billion a year. He didn't make a lot of specific comments about inflation, but he did say in his report that he really hadn't added in inflation. Your brief says that not only do you have to adjust the benchmarks but you've got to take account of the inflation factor.

So let me ask you this: Does the OSSTF have your sense of what needs to be reinvested in the school system in order to ensure that we don't go further downhill, in order to ensure that we address some of these problems?

Mr Hamilton: I think the recommendation by Rozanski of \$1 billion over three years, which winds up being about \$350 million, is the starting point, but then we have to try to keep up with inflation. I think the education budget for last year was somewhere around \$16 billion. If we have an inflation rate of 2% to 3% annually, we're looking at probably somewhere between \$300 million and \$450 million on top of that, plus there are some other areas that have to be addressed. I know there were recommendations for special education funding and that the Conservative government put in about \$130 million of the \$250 million that was required. So I expect that when it's all added up, it's going to

amount to somewhere around about \$800 million just to kind of keep up without being able to slide backwards.

That doesn't actually address some of the other concerns we have. Here locally we have some concerns partly because of the age of the building and with heating costs and lighting costs. They're just not very efficient structures. Right now we have six high schools in the Lakehead ward and, although we have lost students and we might be able to close some of those high schools, we're still left with schools that are a minimum of I think about 35 years of age now and the cost to rebuild some of those structures would perhaps be even greater. So that's just a minimum cost, to tell you the truth.

1100

The Chair: We'll move to the government.

Mr David Oraziotti (Sault Ste Marie): Thank you for being here today. You're bringing forward some excellent suggestions. Let me say I can relate, having been an OSSTF representative in Algoma and district too, and having taught for 10 years; I know first-hand of the issues that you're referring to. Let me say this first: Our government is committed to engaging and listening to the education partners. We want to rebuild our relationship with stakeholders such as yourself and we look forward to doing that over this term.

Yesterday in Timmins we had presenters, education stakeholders, who were doing some very interesting things with the four boards there to try to reduce some of their costs. We want to work with you to find solutions to our deficit problem so that instead of spending \$10 billion a year servicing the provincial debt, we can reinvest in our core public services like health care and education. I'm asking for you to work with us. Do you have any suggestions? How closely are you working with other boards in the area to try to find ways to reduce costs and services so that the valuable public tax dollars we have to spend in education, to get into the classroom and actually serve those children, are being maximized?

Mr Hamilton: I'm not one of the trustees or administration at the school board. I'm not exactly sure of all the things that happen, but I do know there are some things happening between school boards. I know they try to share some services. For instance, our instructional media services are kind of shared between the school boards. Our board is continually looking at saving. As a matter of fact, they altered the school day starting time for secondary schools this year. They moved it to 9:30, which allows them to use the buses more efficiently. They do more double-routing of those buses to try to create some savings there.

But there's only so much you can do in some of those areas. As I said, the difficulty, especially with rising inflation and the cost of hydro these days, is that those things are something that schools can't avoid. They have to have the lights on and they have to try to make sure the buildings are safe and healthy environments. Well, the more money they put toward those things, the less money they have for being able to support students in the classroom.

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

Mr Toby Barrett (Haldimand-Norfolk-Brant): I thank OSSTF for the presentation. I say that as a former member of OSSTF.

The funding formula: You recognize the endeavour to equalize funding for each and every student across this province and indicate that that was and continues to be a daunting task. I represent the rural south. My area does not have a city this size. I guess 15,000 is the largest town in our area. I detect—this came up in Timmins as well—geographic inequities. We have a problem in our area. We're losing our high schools. They're closing for lack of students and other reasons, and I wanted to get an idea in northwestern Ontario.

We know there's a voluntary moratorium right now from this government, with no legislation to back it up, on school closings. I understand that the funding formula is in the works. There's money forthcoming to enable schools to close. What's the situation up here, not only with the threat of high schools closing but elementary schools? What approaches are you using here? It's a very big issue in my part of southern Ontario.

Mr Hamilton: Certainly the Lakehead board, which I work for, is suffering from declining enrolment. Also, there has been a shift in demographics. The board has had a committee that has been looking at this issue for the last two years. They made some recommendations last August that did talk about reducing the number of elementary schools. They're looking at creating grades 7 to 12 schools as well to utilize some of the space that has been created in secondary schools as another alternative for students.

Mr Barrett: Is that elementary and secondary?

Mr Hamilton: Yes, right now they actually have two schools that have some grades 7 and 8 students in working with them. Not all the 7s and 8s are in that program and in those schools, but they definitely are continuing to look at some of these features. They had made a decision even before the moratorium to not close any schools for September 2004. So any recommendations that come out of this committee that were supposed to happen in, I believe, April wouldn't happen. The earliest would be September 2005. But definitely there are some concerns and this board is certainly looking at that as an issue.

I believe there is supposed to be a report. I cannot remember the name of the company that is doing an in-depth study of the demographics of the city to make some recommendations. That also might entail having to build schools, like new elementary schools, in areas where there has been an increase in population. We definitely have seen movement from the core city to the surrounding area, those semi-rural areas that perhaps don't have a sufficient number of elementary schools.

The Chair: The committee thanks you for your flexibility this morning. We appreciate it very much.

THUNDER BAY REGIONAL
HEALTH SCIENCES CENTRE

The Chair: I call on the Thunder Bay Regional Health Sciences Centre. Good morning. You have 20

minutes for your presentation. You may leave time within that 20 minutes for questions if you so desire.

Mr Ron Nelson: I thought I had 10, but that's fine.

The Chair: I would ask you to identify yourself for purposes of our recording Hansard.

Mr Nelson: My name is Ron Nelson. I'm the vice-chair of the Thunder Bay Regional Health Sciences Centre. This is certainly a new experience for me. I've never done anything quite like this before. I don't know what the protocol is, if you'd like to know anything about me. If not, I'll just continue on with my presentation.

Mr Peterson: Only the good things.

Mr Nelson: The good things? I'm a great guy.

I really want to thank you for the opportunity to present today. I don't envy you your job. It must be fraught with a lot of moral and ethical dilemmas, especially when you're talking about health care and education and that sort of thing.

I wanted to start off with the Kirby report. Senator Kirby mentioned that if we do have a two-tier health system, it's probably not the rich versus the poor, but the rural versus the urban. Much of the handout that goes over the demographics and the geography of our region will back that up. We're largely serving a rural population, with higher costs, and of course we have our unique aboriginal issues in this region.

As you're probably aware, we're part of the Northwest Health Network, which at present is working extremely well. In fact, this week we just got word of a \$1.5-million investment over two years that will allow the region to have a shared patient record, which will have quite an impact on the amount of travel that's done in the northwest.

I believe that this network is working well but I believe it's just the start. I believe it's an opportunity to be a world-class regional governance environment. It sets the tone. Many of the players are already at the table: the ministry, the CEOs of the regional hospitals, the CCACs, cancer care and so on. As that develops, I see the network taking a larger and larger role.

I use the words "governance environment" advisedly. I think the term "governance model" kind of scares people, that there's going to be the ministry there telling everyone what to do. But the way this is developing is quite remarkable. We have a very collaborative environment at the network. We're making decisions collaboratively and we're co-operating, so any support we can get to develop that network will be really beneficial to the northwest.

1110

We need to look at new ways of allocating resources efficiently, and I think this is one of the ways we can do it. There is a lot being done around the region to work together to try to create efficiencies. So any support you can give us to increase that—I know we're trying to get funding from Canada Health Infoways, and I know there are people working to help us get funding to improve the pathways in the northwest.

Obviously the regional hospital is the hub of the region. We have to take into consideration the geography and demographics of our region. One of the things we'd like to be able to do is have governments recognize that it's OK that regions have differences, that we can have a dialogue and partnership with the ministry that establishes what services Thunder Bay Regional should provide in consultation, so we can have the most excellent health care for our region. It's OK for us to be treated differently, or any other region can be treated differently, based on local needs. Preferably we would like to establish that—decide what is going to be provided and what isn't going to be provided—and then have that funded, preferably on a multi-year rolling budget. I know that's been much talked about. It certainly would be a benefit to us, in terms of our efficiencies, to have a budget we can work with over a two- or three-year period, obviously with annual reviews.

One of the main problems we have in our region is this thing that's come to be known as "closed to the region." It's where we work with CritiCall. When Thunder Bay is overflowing—we often have 20 or 25 stretchers in the hallways of our emergency department—it's just impossible from a safety point of view and a staffing point of view to take patients. One of the reasons for this is that we've had over 60 alternate-level-of-care beds taken up in our hospital. Even though we've been funded in the short term at the McKellar site to take the pressure off, there's absolutely no doubt in our minds that long-term and chronic care capacity in northwestern Ontario is going to continue to be a critical issue for us. Certainly I think there's room for more public participation in this, and perhaps opening the McKellar site will open the dike in that regard.

Of course, one of the frustrations for us is that the normal referral centres seem to be closing down. Winnipeg is taking hardly anyone any more. Timmins and Sudbury are sending people on. It seems to be evolving that our transfer of choice is going to be Duluth, which is a very high cost situation: upwards of \$10,000 to \$15,000 for a patient to be sent there.

One of the frustrations for us is that we look at the success of the network and how we're talking together, and we say—I know the word "silos" is often used when we talk about things—why can't we have a cost-benefit analysis on that sort of thing to sort of break down silos at the ministry? The cost of sending patients out to Duluth is horrendous. It all goes back to the chronic care spaces and the ALC beds. We need a long-term solution to that. We need to work collaboratively to try to solve that.

Finally—you see, I told you 10 minutes—I'd like to say a word in support of family physicians, especially given that our new medical school will be rural and family oriented. As part of your deliberations, you're probably looking at physician remuneration and how that's going to go forward. I personally feel that the family physicians—and I've talked to many of them—are kind of the backbone of caregiving. We need to establish

a reward system for family physicians that causes new physicians to want to choose that as a career. Right now there seem to be a lot of disincentives. Family physicians are telling me it's not lucrative enough for them. I know it doesn't always come down to money; more and more young physicians are looking at lifestyle choices. We would like to provide an environment in the northwest where family physician is a career of choice, because that's what is going to provide good patient care in our region and all the smaller communities. Come to Thunder Bay for the specialties.

In summary, if I could just wrap up what I want to say this morning, our Northwest Health Network is operating well. We need to build upon that and have more efficiencies in the region in how we give excellent patient care. Recognition that we're underserved is not an issue. It is recognized and we're having good dialogue with the ministry. But the costs in rural and remote areas are much higher. So our hospital would like to settle what services will be provided in a partnership and have those funded in an appropriate way on a multi-year basis. Long-term and chronic care is not going to go away. In order to serve the region properly, we're going to have to increase the capacity for long-term and complex chronic care. And we need a new look at how we fund family physicians. Thank you.

The Chair: We have about three minutes per party, and we'll begin with the government.

Mr John Wilkinson (Perth-Middlesex): I just want to ask a couple of quick questions. We've been having a lot of discussions. ALC—give me that acronym.

Mr Nelson: Alternate level of care. We're an acute care hospital, and these people shouldn't be in there; they should be elsewhere.

Mr Wilkinson: Because the system is backed up?

Mr Nelson: Yes. We have people come in to emergency, and by law we cannot refuse them. In fact, on a regional level, if it's a trauma we don't ever refuse. On the other end, there's no place, there's no outflow. So we have a tank and we can't turn the tap at the bottom to drain it. It's bunged up. We're often in gridlock.

Mr Wilkinson: CritiCall is how you refer patients to other—

Mr Nelson: Yes, the regional hospital will phone and ask, "Where can we send them?" If you talk to Ken up in Red Lake, who is the CEO up there, he'll tell you that doesn't really work for them, because the distance is so great. We've had people waiting on runways up there or who can't get an airplane or that sort of thing.

Mr Wilkinson: One of the things we're finding everywhere, in a sense, is this tremendous service deficit we've inherited as a government. We have what we call negative cost spirals.

Mr Nelson: I appreciate that.

Mr Wilkinson: This is what you're talking about: sending people to Duluth, for example. Because we didn't spend a little bit of money here, it costs more money to back up the system, which costs more money.

Mr Nelson: Exactly.

Mr Wilkinson: One of our jobs is how to break those log-jams and how to stop that spiral. If there were one recommendation you could make to our government as to how to do that—in other words, how to spend the money better—what would that be?

It's not that we don't have money to spend; the question is, how do we allocate it and try to stop these negative cost spirals? We can do all the cost-benefit analyses in the world, but we have a lot of people coming here telling us that we have a system that works but doesn't work well when it comes down to delivering service.

Mr Nelson: I'd like to build on the model of the network that I talked about, where we have all the people involved in the same room talking about the same problem.

Mr Wilkinson: Is the government there? Is our government there?

Mr Nelson: Yes, the ministry is there. But if you want to tackle that specific problem—I don't know who's involved in signing off on the \$15,000 to get the jet to take a person to Duluth, but it seems to be a different spot that funds the hospital.

Mr Wilkinson: The idea of silos.

Mr Nelson: So can we and the various organizations get together and talk about how we might—for sure, I don't have the answer sitting here, any more than you do; we've just identified it as a large issue. But surely we can solve it if we talk together.

Mr Wilkinson: I think from our end it's the silos.

Mr Nelson: Yes.

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

Mr Barrett: Thank you, Mr Nelson. I'm really intrigued: You make reference to the Kirby report, focusing on inequities in delivery or accessibility to health care. You indicate it's not so much a rich versus poor but a rural versus urban issue. I represent a rural area in the south of Ontario. There are a few things you didn't mention. I see in the report that "Medicare payments to rural hospitals and physicians are dramatically less than those to their urban counterparts for equivalent services."

Mr Nelson: Which one are you referring to?

Mr Barrett: It's on the back page.

Mr Nelson: Oh, yes. That was an American source I came up with, as you probably noticed.

Mr Barrett: Would that apply to Ontario?

Mr Nelson: I put that in; I thought it was fairly generic in terms of those conclusions. My point would be that in northwestern Ontario, because of the much greater distances and the much greater mix of demographics, those things would be exacerbated for us.

1120

Mr Barrett: It's certainly the issue in the rural south—access to physicians, as you indicate on the back page as well, half as many physicians in rural areas.

Mr Nelson: Yes, sir.

Mr Barrett: I guess those are US data.

Mr Nelson: But I thought it was useful to have a look at. It applies right across the country, really.

Mr Barrett: I often wonder, and I know the allocation of resources was mentioned across the way, with our health care system as with our universities: Over the years we have built large hospitals and large universities; monumental edifices, if you will.

Mr Nelson: Are you going to get a chance to go through our new buildings?

Mr Barrett: I would like to and I am certainly aware of it. We funded them.

Mr Nelson: I'd hate to call it an edifice, but it is quite impressive.

Mr Barrett: Yes, all the new ones are. Again, a large university or a large hospital attracts PhDs. We don't have PhDs in the rural south. You don't have PhDs probably in much of rural northern Ontario because they are attracted to these very large buildings. Maybe we have a structural problem here in the way we are allocating our resources.

The Chair: We'll move to the NDP.

Mr Hampton: I want to take you up on an issue that occurs over and over again in your submission, the issue that at one point you call "closed to the region," and at another point you say that "overriding concern is access to tertiary services." My understanding is that for many days, in fact many weeks over the last, while you couldn't refer a patient here for specialist care from, say, Dryden, Sioux Lookout, Atikokan—

Mr Nelson: Fort Frances—

Mr Hampton: —so as a result, more and more of them have been referred to Manitoba.

Mr Nelson: Yes, but that's being shut off by Manitoba.

Mr Hampton: Well, we'll see. My view is that Manitoba actually benefits from that. In terms of maintaining their specialists and their specialist services, if they can get a higher critical mass of patients, it actually helps them to keep specialists. It also helps them to say, "We need this diagnostic equipment or that diagnostic equipment." I'm certainly aware of the Duluth problem. Have you quantified how much money is actually flowing out of the system?

Mr Nelson: No, because we don't know for sure from our point of view. We don't write that cheque.

Mr Hampton: Typically, do you know what kinds of services are having to be referred to Duluth because they are not available here? I know many people go to Duluth for an MRI.

Mr Nelson: These things are available here in large measure, but they are not available to the next person because the system is in gridlock. In order to get timely care, they need to go elsewhere. I talked to Roger Walker, the CEO in Sioux Lookout. They have historically sent their patients to Winnipeg instead of Thunder Bay. He says it's getting more and more difficult and that they are saying no a lot of the time now. That's the only thing I'm passing on. I don't have any first-hand knowledge of that. I just have to take his word on that.

Mr Hampton: I've talked with Mr Walker and I've talked with a number of the physicians. Essentially,

what's happened is this: If you went back to 10 years ago, physicians in outlying communities, when they needed specialist care for their patients, would have referred about 60% to Thunder Bay, perhaps 40% to Winnipeg. Now it looks as if it is totally reversed. Referrals to Winnipeg are increasing all the time and Winnipeg at a certain point is saying, "We like to have the patients but we just can't accommodate everybody."

Mr Nelson: Yes, exactly.

Mr Hampton: I don't think they're saying no. They're simply saying, "We're full. We're happy to have you but we have space limitations too."

Mr Nelson: That's for sure. Yes, sir.

Mr Hampton: How would you go about quantifying? I'm going to take the government up on their offer. They're saying they want to spend smarter. We'll see. How would you quantify? I know all kinds of patients who go to Duluth for an MRI, a CAT scan; they go to Duluth to see a neurologist. Gee, the list goes on. How would you go about quantifying that?

Mr Nelson: As with all these things, it's always more complicated than it first appears. I don't pretend to have the answer to that but I would set up a process for trying to find the answer. I think that's the key. If there's a willingness for people to get in the same room to talk to one another to establish what the costs are, I think the costs are there to be had if we talk to the right people.

The Chair: Thank you very much for your presentation this morning.

I call on the Thunder Bay Child Care Network.

Not seeing anyone, the committee will recess until their time slot of 11:40, unless of course they were to arrive in the meantime. We could hear them then.

The committee recessed from 1125 to 1130.

THUNDER BAY CHILD CARE ACTION NETWORK

The Chair: The standing committee on finance and economic affairs will come to order.

I would ask the Thunder Bay Child Care Action Network to please come forward. Good morning. You have 20 minutes for your presentation. You may allow for questions within that 20 minutes if you so desire. I would ask you to state your name for the purposes of our recording Hansard.

Ms Amanda White: My name is Amanda White. Thank you for the opportunity to present before you today. I am a member of the Thunder Bay Child Care Action Network. Our mission is to build a strong voice in advocacy and to work hard to make sure that high-quality, licensed, non-profit child care in Thunder Bay is the best that it can be. We are also part of the Ontario Coalition for Better Child Care, OCBCC, a non-partisan political group that continues to press successive governments to make improvements in child care to benefit children and families across Ontario.

I am here today to participate in what I hope will be a truly open and full debate about the future of public

services in Ontario. Public services in Ontario are in desperate need of rebuilding. More cuts are simply not possible. The people of Ontario understand this, and the people of Ontario know they may have to pay higher taxes, taxes that will support better public services. In any pre-budget consultation, people must be able to consider all the options. One should be increasing revenue. My presentation today presents fiscally responsible proposals that will improve public services and will require an increase in revenue.

We believe in high-quality, regulated, licensed, not-for-profit child care that provides supportive early learning and educational and developmentally appropriate environments for children; supports parents in working, studying, and accessing training opportunities; fosters equity and inclusion for a diverse set of groups in Ontario; and helps families balance life and work commitments.

Investments in early childhood development are central to evidence-based strategies for lifelong learning that will continue to contribute to Ontario's social fabric, competitiveness, and increased productivity growth in the 21st century. A system of high-quality ELC is fundamental to healthy child development and lifelong learning.

The state of child care in Ontario in 2003: For three decades, parents have been advocating for governments to take action on child care in Ontario. Some improvements took shape between 1982 and 1995, but the destruction to the services over the last eight and a half years has been staggering. Between 1995 and 2003, funding cuts and downloading to municipalities destroyed many advances made to child care between 1985 and 1995 by successive Liberal and NDP governments. Provincial spending on regulated child care fell from \$611 million in 1995 to \$452 million in 2001.

Downloading to the 47 local governments means that differences in services among municipalities have grown. Because funding has been reduced or frozen, municipalities have been making individual decisions about how best to manage their budgets. Meeting the eligibility requirements does not guarantee a subsidy or a space. Municipal waiting lists for subsidies mean that many eligible parents have no possibility of a subsidy, and a variety of provincial policy changes have made it much more difficult for low- and moderate-income parents to access child care.

Student parents must declare their loans as income in a needs test and cannot receive OSAP and the child care subsidy at the same time. RRSPs are now counted as liquid assets. Families are expected to spend their liquid assets before seeking subsidy assistance, and parents with more than \$5,000 of liquid assets are ineligible for subsidy. Parents looking for work or in between jobs are no longer eligible for subsidies. There are also times in Thunder Bay when there is not a wait-list for child care subsidy, and this is because families simply are not eligible under these criteria but are still in need of subsidized child care. These families have been forced to

have their children cared for in less expensive, possibly unlicensed and possibly unregulated child care.

Municipalities now have to share the cost of wage subsidies, family resource centres and special-needs funding. These were previously wholly funded by the provincial government.

The result is that child care in Ontario today is in crisis as never before.

Setting the stage for a national child care strategy: The value of a national, provincially managed child care strategy is well recognized. Families across Canada as well as in all regions of Ontario need a system of universal, high-quality programs.

In ensuring that this becomes a reality before many more generations grow up, all three levels of government have roles to play. Setting national goals and targets demands a strong federal leadership role and federal financial resources, as well as federal collaboration with the provinces. Ontario must play a key role with the federal government in urging such federal engagement. Ontario's municipalities have borne the brunt of Ontario's downsizing in the past eight years. Ontario's municipalities, unlike those in the rest of Canada, have had a role in operating, administering and planning child care since the 1940s and have played a key role in how the system has developed. It is appropriate that these functions should occur at the local level, not at the provincial or federal levels, as these are far removed from the users. At the same time, the OCBC has always taken the position that funding child care must be the responsibility of senior governments, as these have the taxation power. Today, as Canada's cities and municipalities are beginning to assert themselves and demand a new deal and a role in governance, there is clearly an enhanced role for local governments in a national ELC strategy.

What the Liberal government has promised: In the election campaign last fall, the McGuinty government laid out a number of short- to long-term commitments to a new provincial child care system. These commitments, drawn from the campaign material, are a good starting point for the next steps in child care.

Regarding the long-term vision, they said, "Our Best Start plan is based on our vision of high-quality early years education and supports as a seamless extension of our public education system."

In regard to immediate commitments, they said, "The first step, to be taken during our first term in government, will be to improve the quality and affordability of child care available for our families." They also said, "[We will] reprioritize spending of ECD money so that the existing regulated child care system in Ontario receives the funding it needs to maintain and grow child care spaces that are affordable and of high quality."

Our recommendations for the 2004 Ontario budget: In order for the Ontario government to begin to meet these commitments, it must reclaim a leadership role in ELC in Canada by beginning to move toward the kinds of ELC programs that are now commonplace in most modern countries. The Thunder Bay Child Care Action Network recommends four kinds of action to this end.

First, the Ontario government must keep its election promise to implement a universal, high-quality, regulated, seamless system of ELC and develop a strategy for meeting this commitment.

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Second, the Ontario government must take the following actions as immediate crisis control.

First, funding actions: Designate three quarters of the \$192 million in federal dollars earmarked for early childhood development programs from the 2004-05 ECDI to regulated not-for-profit child care. These funds—\$144 million from the federal government through the ECDI, \$30 million from the federal government through the multilateral framework agreement, and \$160 million in new provincial funds—will begin to stabilize current regulated, not-for-profit child care programs.

Second, policy actions: Review the subsidy system and remove eligibility restrictions for student parents receiving OSAP, families with RRSPs and RESPs over \$5,000 and parents looking for work.

Third, we call upon the Ontario government to develop the following policy framework and action plan for implementation to begin to put the system in place. The plan should be ready for implementation one year from now, April 1, 2005. The starting point for this process would be the long-term goal, as above, but a specific action plan and an effective policy framework are critical for success.

The policy framework should include the following components: principles; new legislation; timetables establishing service targets and plans for meeting them; improved quality standards and strategies for meeting them; definitions of roles and responsibilities for management and funding of ELC; plans for accountability, including effective tools for monitoring; and plans for adequate funding. The action plan is outlined in a brief submitted by the Ontario Coalition for Better Child Care.

Fourth, the Ontario government must play a leadership role with the federal government and the other provinces and territories to move toward a national child care program.

Please choose better child care today. Acting on these recommendations will advance the goal of a system of universal, high-quality early learning and child care. These actions and plans would be a welcome change from the devastating attacks of the Tory government, returning a sense of hope and optimism to the child care community and to Ontario parents. It would also demonstrate that this government is capable of making different choices than the previous one, even when faced with daunting challenges and pressures. Equally important, while universal child care is rarely in a three-year-old's vocabulary, it would demonstrate that children are valued members of our society.

The roots of some of the elements we propose can be found in the 1987 Liberal plan for child care, *New Directions for Child Care*. The *New Directions* period was the beginning of a new, progressive experience for child care in Ontario that continued through the NDP era,

ending in 1995 with the election of the Harris government.

We urge your government to recommit to moving child care forward again. Doing so will mean making sure that the key elements—the goals, who the programs are for and how they are delivered—are right from the start. We look forward to working with the new government as we move toward being able to ensure that every child in Ontario whose parent wishes it can find a space in a high-quality early learning and care program.

The Chair: Thank you. We have about two minutes per party. We'll begin with the official opposition.

Mr O'Toole: Thank you very much for your presentation. As a parent of five children, I know just how important appropriate daycare is. In fact, we were very fortunate to have a loving family member who did most of the daycare. My youngest is 25 years old, so I'm very happy with the outcome. There's really no one-size-fits-all. That being recognized, I think it's important to have safety for our children, and certainly parents have a responsibility to make some important decisions.

When you look at the program, I have no problem with some of your suggestions here. I know our Best Start plan is probably one of the other promises they made where we'll see actions speak louder than words. Your action plan—I think there are some really good suggestions here. In my approach to things, it's the simple part of it. The way you started was, "This is non-partisan." I didn't sense that during my listening to your presentation, but that's fine. You have a job to do. I understand that.

I question though that raising taxes increases revenue. There is a point there where there is a loss of revenue. That's something that they'll have to deal with in terms of thinking they can just raise the taxes and the revenue will go up. They'll close the lumber mill and nobody will have a job.

You said a couple of things that were a little strong. You implied that any unlicensed, unregulated daycare was poor. I would question that. You're looking at a strategy. I think the early childhood centres that were developed after the Mustard-McCain report are certainly a good step. They've talked about a national daycare program federally for so long it's almost a pipe dream.

On the positive side, I very much support the observation you made on policy actions and I think it's unacceptable to look at OSAP and RRSP clawbacks and educational savings plan clawbacks. That's a very good suggestion: to encourage people to be more self-reliant but at the same time don't penalize them for becoming self-reliant, looking after their children's education. These are parental responsibilities. Looking at the state of people who are trying to get back, single parents especially, they need supports, and regulated daycare is the best way to provide that. They're usually on their own because that's the dilemma they find themselves in.

Providing regulated daycare in a school—I was a school trustee when the Liberals I think brought in daycare centres that were attached to the schools. It was a

big union deal. That's what it was. Who cleaned the school? It was just baloney—

The Chair: Thank you for your statement, Mr O'Toole. We'll move to the NDP.

Mr Hampton: I want to ask you some questions about child care. You must have a sense of working parents and parents who are trying to take part in the economy. My sense of it is that more and more we're seeing both parents having to work, and certainly in single-parent families often the case is that the single parent is not just working at one job but may be trying to work at one and a half or two jobs. How urgent is this in your view, thinking from the Thunder Bay perspective, that we improve not only access to child care but quality of child care for working parents?

Ms White: In my experience in Thunder Bay, working with parents in the child care centre I work in, they feel the need for the high-quality child care because they want to be able to offer their children the very best. In single-parent families, they are just at times not able to access the high-quality, regulated child care. That happens to students with OSAP; they are not able to qualify for both, for the subsidy and OSAP. Parents with the RRSP as well: they're trying to save for their child's future, for their family's future, and in a sense are being penalized for that and are not able to access the child care. Those are the really strong issues we have in Thunder Bay that are preventing families from receiving the high-quality, regulated child care.

Mr Hampton: In your experience, for parents who do not qualify for a subsidy and who therefore are picking up I guess what would be called the full daycare fee, what does the full daycare fee amount to for, say, a child attending five days a week on a full-time basis?

Ms White: At this time, I don't have that information, but what I can do is collect information from Thunder Bay. At every centre the fee is different.

Mr Hampton: Yes, I know that.

Ms White: So I could get an average cost for a whole week and submit it to you.

Mr Hampton: That would be good. Even if somebody could give it to us by telephone or something, that would be good.

Ms White: Oh, sure.

The Chair: Thank you, Mr Hampton. If there is information requested, I would suggest that you send it to the clerk and then all members of the committee can see the information.

We'll move to the government.

Ms Judy Marsales (Hamilton West): Good morning, Amanda. Thank you very much for your presentation. We really want to applaud you for your dedication in this particular endeavour, as we all agree that children are our country's most precious resource. It's more than time that we apply a lot of attention to ensuring that their early start is best of all.

To that end, I must commend our own government for demonstrating leadership in this regard by the creation of the new Ministry of Children's Services. I think as time

goes on, we are going to be going forward on a lot of initiatives that I think will support your organization and support children through this wonderful province of Ontario, particularly around single parents who are struggling with many other issues. Child care, of course, is foremost in there.

I wanted to ask you if your network and your organizations are partnering currently to utilize some of the new studies where seniors are being used in child care facilities to integrate both their abilities with the cost reductions and stimulating children and stimulating adults and some of our seniors. Are there any programs in Thunder Bay at the moment along those lines?

Ms White: At this time, I'm not aware of a specific program developed to that extent, but we do have a child care centre that is considered a multi-aged child care centre that does utilize the seniors home that it's built in.

Ms Marsales: OK. Terrific. Thank you.

The Chair: Thank you for your presentation and for appearing early, slightly ahead of time. We appreciate that very much.

This committee is recessed until one o'clock this afternoon.

The committee recessed from 1150 to 1300.

CANADIAN MENTAL HEALTH ASSOCIATION, THUNDER BAY BRANCH

The Chair: The standing committee on finance and economic affairs will come to order. I would ask that this afternoon's first presenters, the Canadian Mental Health Association, Thunder Bay, please come forward. Sit anywhere at all there. You have 20 minutes for your presentation and, within that time frame, you may leave time for questions if you so desire. If you would please state your names for the purposes of our record, Hansard. The microphones will come on automatically.

Ms Marlene Fortin: I am Marlene Fortin. I'm the president of the Canadian Mental Health Association, Thunder Bay branch.

Mr Maurice Fortin: And I am Maurice Fortin, executive director of the Canadian Mental Health Association. I should tell you from the onset that we enjoy the gift of having the same last name, but we are not in any way related to each other. It's just an oddity.

Ms Fortin: Thank you for this opportunity, first. We are so happy to be here to do this presentation.

In the mid-1970s, a group of local family members and health providers concerned about the lack of after-care and community services for persons discharged from the regional psychiatric hospital established the Canadian Mental Health Association, Thunder Bay branch. We are committed to providing community services for those suffering from mental illnesses, promoting mental health, dispelling the myths about mental illness and, of course, advocating on behalf of people suffering from a mental illness.

Currently, our direct services include a 24/7 telephone and mobile crisis service for the city and district of

Thunder Bay. Trained mental health crisis workers respond to any person experiencing a mental health crisis. They provide assessments, intervention and support. In the last fiscal year, our crisis services received approximately 15,000 phone calls and responded to 1,500 mobile responses. These are primarily visits to people in their homes. It has been an overwhelming amount of requests.

Our multi-faceted pre-vocational program offers employment, case management, housing and social-recreational opportunities. Our employment focus is on assessing real jobs in the community and helping people maintain them. Residential services are focused on helping people find decent, affordable housing and supporting individuals to keep their homes. We provide one-to-one matches and skill-based group opportunities which help people challenged by mental illness to fully participate in community life. The peer support group entitled Between Friends is one example of our group opportunities.

The support and commitment of the community to our goals of promoting mental health and addressing the stigma of mental illness are reflected in the fact that volunteers and staff have raised \$825,000 over the past five years. These fundraising efforts are important because there is currently no government funding for the important services that benefit individuals and reduce the burden on the mental health care system.

To ensure accountability to the community, we have a board of directors comprised of family members and current and past consumers. We have business people and health and social service sectors governing CMHA. Furthermore, advisory committees from similar groups of citizens advise each program. On the whole, we are committed to the concept of community-based, community-governed. We have over 100 volunteers who provide us with hundreds of volunteer hours.

Mr Fortin: While you've heard a few things from Marlene about CMHA, what we're really hoping to do here today is represent the community mental health system and talk about some of our concerns related to the mental health system in Ontario. So firstly, I want to thank you for taking the time to come to Thunder Bay and to hear, from organizations, our thoughts on the difficult choices you have around budget decisions. I understand that further work is coming in terms of hearing from ordinary citizens as well in the next few weeks. We certainly applaud those efforts to engage all the communities across Ontario in the difficult decisions you have.

I also want to recognize that the mental health community was particularly pleased that in your platform, this government recognized the need to invest in mental health and that you identified specific commitments over five years. Your commitment included funding for case management services, recognized the need for a province-wide database for mental health services to help families and consumers find services, and recognized the need for supportive housing. Your platform was very much consistent with a paper issued by CMHA Ontario

division in November 2002, which was really calling on the previous government to invest mental health funding in three priorities. So we're very pleased that your priorities match, in many ways, what the field sees as priorities.

The first thing I want to tell you, because I know you are facing a deficit and making difficult decisions, is that you need to understand that there is a crisis in mental health care in Ontario. We have lots of reports and lots of statistics for you, and I've included some of those. A 2001 Stats Canada report indicated that 10% of Canadians over 15 suffer from clinical anxiety, depression or addiction to drugs and alcohol. The incidence of those suffering from depressive illnesses is 4.5%. That's the same rate in Ontario as heart and diabetes combined. And, ladies and gentlemen, that's only one particular kind of mental illness.

I'm sure you're concerned about economic impacts. I want you to know that mental health disorders have a phenomenal impact on business and productivity. Stress and mental-health-related problems currently represent 40% of short-term disability claims. According to the Manulife Financial group, psychiatric claims are now the fastest-growing category of long-term disability in Canada. The reality is that mental health and mental illness problems are impacting on business and productivity in Ontario. That trend is international, by the way. Of the 10 leading causes of disability, five of them are mental-health-related.

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If this was any other disease, such as cancer or heart disease, this would be a public health emergency, with an all-out strategy to reduce the impact of this potentially fatal disease. However, because mental illness is rarely talked about and people with mental illness and their families are reluctant to speak out publicly, it has the potential to become a hidden economic and certainly personal catastrophe. Something needs to be done.

While the demand for service continues to grow, the ability to provide service continues to decline. Since 1992, budgets for community mental health services have been frozen. That's almost 12 years of budgets being frozen.

While our budgets were frozen, our basic costs were not, and you're well aware of what some of those growing costs have been because you've experienced them personally. What are they? Rising utility costs, insurance, benefit costs, rents. Those costs have reluctantly forced us to reduce staff and ultimately the service we provide.

During the 12-year period, we have had to make reductions both in direct service and administratively. I know other programs locally and in the district have had to make similar cuts.

A little bit about some of the demand: During November 2003, our intake worker received 65 calls for assistance. They included family members looking for services for people with schizophrenia; a mother concerned about the mental health of her 12-year-old daughter; lots of requests for counselling, particularly related to depression

counselling. Similarly, other community and hospital services are witnessing the same demand.

Ms Fortin: Just to add a personal note as well, my position with CMHA Thunder Bay is a volunteer position. I work in the financial services field. I have been receiving calls at work from desperate people asking how I can help them, if I can help them; co-workers and people from the community who know I am the president. I've never seen this before.

Mr Fortin: I mentioned our crisis response program earlier. From November 1 to February 5 of this year, our crisis response program registered 230 new clients. We're averaging about 76 new registrations a month. Many of those registrations are callers who have not had previous contact with the mental health system. The numbers are staggering.

In a consultation with some of our other organizations, we know that the community mental health services provided at Lakehead Psychiatric Hospital, now a part of St Joseph's Care Group, has a waiting list of 128 people. We know their concurrent disorders program has a wait list of 41, and people will wait six months to a year to be seen. Many of those waiting will see their condition worsen. In the absence of help, some will be hospitalized; others will give up and try to fend for themselves, simply accepting a poor quality of life. Indeed, some of them will die. We know that people with mental illnesses commit suicide. Often they commit suicide out of desperation because they are simply not getting the help they need. I have to tell you that no one in Ontario should have to do that.

Community mental health programs are effective and cost-efficient. On average, most people suffering from a mental illness live in the community and spend less than three weeks in the hospital. I think there's a myth out there sometimes that most people with a mental illness spend most of their time in hospital. It's in fact not true. They live in the community and they need services in the community. They need housing, they need jobs, they need supports.

Research, such as the 2003 outcomes and effectiveness report of the Ontario Federation of Community Mental Health and Addiction Programs, clearly indicates that community mental health services are effective. These investments have paid off. We know that community mental health services reduce the number of days in hospital and visits to already overwhelmed emergency departments. The report demonstrates that when the province invests in services for those with complex needs—people who are homeless and have addictions—they use expensive hospital services much less, experience fewer symptoms and do much better in the community: a positive outcome for individuals, their friends and families and the health care system.

Again, our 24/7 crisis telephone and our mobile team's community assessments work effectively to divert people from unnecessary hospitalization in favour of finding community solutions. Of all the clients that we are in contact with and see, we bring only 10% of them to

emergency departments to have an assessment to see whether they need to be hospitalized. Of those 10%, at least 5% to 6% indeed are hospitalized. We think community programs are doing a good job of not using expensive hospital services.

We are a part of the local Homelessness Initiative Project phase 2. We know that there are 67 people in that program who have reduced their time in hospital from 57 days to eight days a year.

In your package, there is a story about a person by the name of Linda Stewardson. I just want to say a little bit about Linda. I'm using her real name because Linda has really become a leader in the community. She is one of the speakers for the United Way. In fact, the United Way claims that she is their speakers' bureau. She's been very public about her story. I hope at some point you'll take the time to read her story.

Very briefly, her story is about a phenomenal life of abuse as a child, being left on the side of the road for dead by a parent, her father, who is now in jail as a result of committing that crime, following which a lifelong history of eating disorder, drug and alcohol abuse—really a very sad tale of the terrible things that abuse does to an individual.

But much of Linda's story is really about her personal fortitude. She chose to come to Thunder Bay randomly because she simply needed to get out of Toronto and get away from the negative influences. She went through treatment, but as a result of treatment, really didn't have much to follow that up with, so was very much left alone at home.

We got connected to Linda because she started calling the crisis response program. We sent the mobile team out to see her. As a result of some of those visits, Linda got connected to some of our other services, became a recipient of a volunteer. As a result of the three or four years that Linda has been with us, she now has become a volunteer. She is a member of our board of directors. She is the speakers' bureau for the United Way. I think of the 50 presentations this year to employee groups, Linda has done 45.

I share Linda's story with you to tell you the difference that community mental health can make in the lives of people. Linda has gone from receiving services to helping other people. She's very involved in her church and very involved with other community organizations and is a volunteer now—a great example of the difference that people can make.

The most significant thing that I want to say to you about cost is that community mental health programs save money. For example, the cost of providing service to a person living in the community is \$35,000 a year or \$95.89 per day, compared to \$170,000 per year or \$460 per day for someone in hospital. We need to keep people out of hospitals, but if we're going to do that, then you need to provide us with the resources to do that.

We know what needs to be done. I have in my office an entire bookshelf of reports related to mental health in Ontario. I, myself, was a member of the Graham committee. We now have Making It Happen, and we

have the task force reports that, ladies and gentlemen, are in a three-ring binder that is that big. All of the reports recognize that we need funding in the community to do community mental health. Let me tell you that mental health reform has been studied to death. Please don't conduct another study on mental health. People know what needs to be done. The time for action is now.

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I want to tell you that we support the action plan of our Ontario division. We need to build system capacity by investing in services and supports for people. You need to adequately fund the system that we have now before you invest one dollar in new services. The system has been starved for 12 years and you need to do something about it.

The Chair: I want to remind you, you have about two minutes left in your presentation.

Mr Fortin: Two minutes left? Then I will stop there because I want to make sure that there is an opportunity for questions. You have the full text. Certainly, I welcome any comments or questions that you may have about the text.

The Chair: We only have time for one question, and in this rotation it would go to the government. Two minutes.

Mr Peterson: You know that our Lieutenant Governor, James Bartleman, is both aboriginal and suffers from mental health problems. It is one of the three causes that he is undertaking as Lieutenant Governor. He's written this very eloquent book, *Out of Muskoka*, about his problems with depression and his flirtation with suicide. This may be an example with the large aboriginal community in this area, if you don't have this book.

I'm on the education committee. I'm very impressed by this fact that we can save money by doing early diagnosis. Is there some way through our other institutions that we can assist getting the youth diagnosed at the earliest possible stage to prevent a lifetime of bouncing from mental health problems?

Mr Fortin: Absolutely we can. I happen to be the chair of the early psychosis working group. I have spoken to our MPP, Bill Mauro, about the important issue of early psychosis. I know it's a priority for this bureaucracy, and I think it's a priority for this government.

Mr Peterson: What can we specifically do?

Mr Fortin: What can we specifically do? You need to fund early psychosis resource centres, number one, so we can provide very focused, clinical service aimed at addressing the needs of 14-, 15-, 16-year-olds. There is a lot of good data out that says that if you intervene early, then the impacts on people's lives are phenomenally different. We need to train people, the gatekeepers, people in schools—

Mr Peterson: Guidance counsellors?

Mr Fortin: Guidance counsellors, parents, police—wherever youth are—to be able to identify youth who are experiencing early psychosis and get at them early, get them on low doses of medication, get them into program—

ming that gets them back into high schools, back into work. We know what the strategies are that need to be done.

The Chair: Thank you for your presentation this afternoon.

Mr Fortin: Thank you very much for the opportunity.

LAKEHEAD ELEMENTARY TEACHERS OF ONTARIO

The Chair: I call on the Lakehead Elementary Teachers of Ontario. Good afternoon. You have 20 minutes for your presentation. If you choose, you may allow time within that 20 minutes for questions. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms Christina Lofts: Good afternoon. I'm Christina Lofts, president of the Lakehead Elementary Teachers and a classroom teacher.

Ms Sharlene Smith: I'm Sharlene Smith. I'm first vice-president of our federation locally and a classroom, full-time, intermediate teacher.

Ms Lofts: We represent over 500 teachers in the Lakehead. We want to thank you for providing this opportunity to us today.

To begin, I wish to state that the strong mandate given to this government was based on change for a better tomorrow. Public services are in need of rebuilding. Although there is a greater deficit than expected, it is not expected that assets like Hydro or LCBO etc would be sold, or that seniors who have been responsible contributors to society could be adversely affected in health care.

We have summarized our key concerns in our oral presentation, which include ways of saving money and redirecting money to better meet the needs of the public education system. This government must create a long-range plan to deal with the deficit and move forward in implementing the promises made during their campaign. Taxes are to support better public services. A modest increase in taxes would benefit all citizens and maintain services and programs. The Rozanski report validated what educators have been saying for years. The education system has been dismantled through inadequate funding and deteriorating working conditions which, in turn, impact learning conditions for the students, increase class sizes and workload, and decrease support from consultants, principals, special education teachers, lunchroom supervisors, custodians and secretaries, to name a few.

This government made education a priority during their election campaign and Premier Dalton wants to become the education minister. We thank and applaud you for that. Respect for teachers and their hard work during the instructional day and for the extracurricular activities that they do costs this government nothing but will improve morale and, in turn, will generate more from teachers who deserve to get recognition for their efforts.

Rozanski said, "Equity means fairness." All students in Ontario deserve access to education and to the financial resources necessary for high-quality education. We do not want to see any new, radical changes. Teachers' working conditions are the students' learning conditions. We need coordinated educational policies that research shows have a positive impact on students and their learning, like smaller class size and curriculum that is age- and interest-appropriate, which can be delivered within a reasonable time during the school year and which gives the students enough time to enjoy their learning and meet the general expectations found in the curriculum.

Reforming the College of Teachers to become self-regulatory like other professions, with a majority of teachers, would cost the government nothing and save money. The accountability to the public would be maintained and, at the same time, it would fairly represent its members.

By stopping all advertisements, the government would save this money and the savings can be redirected to education.

Money will be saved when the government repeals the teacher testing-recertification legislation—and the new plan, self-directed by the teacher, to meet his or her professional needs and the needs of the students in the classroom.

Money could be saved and valuable instructional time would be better used if the teacher performance appraisal ended when the teacher received a satisfactory appraisal. As well, a performance appraisal for principals and vice-principals should be developed and include classroom teachers' input.

It is apparent that the teaching profession is changing and the number of teachers retiring is increasing. In order to face the challenges of recruiting and retaining good teachers, the funding formula must reflect actual salaries of teachers and provide boards with the financial ability to attract new teachers to the profession.

We want to thank this government for repealing the tax credit for families who send their children to private or independent schools. Our students in the public system have not received the programs and services that they deserve due to cutbacks. All students deserve a free, fully funded, fully resourced public education system.

Administering the standardized tests in grades 3 and 6 costs the government \$6.6 million per grade per year. Having high expectations for students does not mean that inflexible standards and standardized tests should be imposed; rather, high expectations require providing suitable resources for all classrooms. Teachers must be given the flexibility to adapt to the needs of the students in order to use the assessments to help tailor their teaching to improve students' learning. Review of these tests should occur with federation input.

Special education teachers have turned into secretaries or clerks who waste their time and expertise on paperwork and have absolutely no or minimum contact with students. The government must change the requirement for funding in special education so that these highly

qualified teachers can work directly with special-needs students and provide support to the classroom teacher.

The Lakehead, among other northern boards, has found itself unable to provide the much-needed support for our First Nations students who come to us without English-language skills but who do not qualify for the ESL funding or support. Rozanski recommended that the government implement a new grant for the education needs of aboriginal students who are not living on reserves.

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The best chances for success for children at risk due to language or socio-economic circumstances rest with what the school can do for them, especially in the early years. Fully funded SK all day, every day, would provide a good start to children and their learning. Schools must be well equipped, fully resourced with libraries, computer labs, gyms, science labs etc in order to support the rigorous curriculum and meet the needs of the students. Funding cuts have eliminated specialist teachers like music, library, home ec and shop, to name a few, who provide an important role to the development of our students who would then have the opportunity to receive a well-rounded, thorough education. Specialist teachers must be restored.

Boards must be able to close schools when they no longer support students learning in a meaningful way and drain the board of money that would be better spent in sustaining school environments that are better equipped and suited for learning. Otherwise, the government must provide enough money to ensure that our schools are retrofitted to make them vibrant learning environments which provide optimum learning opportunities that support learning.

Sending grade 7 and 8 students to a secondary building in order to fill secondary space does not meet the needs of the students. Elementary teachers are trained in interdisciplinary curriculum that seats the learner, not the subject, at the centre of the curriculum. Student-focused funding is punitive, and disproportionately disadvantages our elementary students. The needs of the elementary students must be met and the funding formula must reflect more money in order to provide high-quality education. Investment in elementary students is the most successful financial strategy in today's world and tomorrow's economy.

Ms Smith: A good educational system has many components, not the least of which is its teachers. Elementary teachers are on the front line of education every day. They see the children who come to school hungry, frightened or hurt. Not only do they teach young children how to learn, they identify the difficulties early in a child's education to ensure that the student can get the extra help needed to secure the best chance for success in later years.

The present funding formula undervalues public elementary students by undervaluing us, the teachers. The formula does not meet the standard set out in Bill 160. Consequently, elementary teachers are left to imple-

ment the nine new curricula, in larger classes, with more special-needs students. Despite these increased demands, administrative support and special education support have been reduced; new report cards have been implemented, which take longer to complete; and documentation requirements are now escalating. Without adequate numbers of textbooks, resources and materials, teachers will spend many more hours searching for age-appropriate materials in order to deliver an effective program. This requires time and effort in addition to our normal classroom expectations.

LETO agrees with Rozanski when he stated that boards should "have the flexibility to spend the funds on the programs," resources "and services that they believe will help students achieve the greatest degree of success."

We recommend that preparation time for public elementary teachers be funded at a rate no lower than the 200-minute standard set out in Bill 160, or the same as our secondary counterparts; that teachers receive at least nine professional development days during the school year; and that there should be only two formal reporting periods during the school year. Why should teachers spend additional personal hours of at least 20 hours after the instructional day to complete three sets of report cards each year, which has put a strain on the health of the members and their personal time with their families?

If this government wants their students to excel, with particular emphasis in grades 3 and 6 due to the standardized tests, then they must fund the appropriate supports by providing an infusion of money for textbooks, resources and fewer combined grades in all classes, especially in grades 3 and 6, in order to build a strong foundation for future learning.

We are presently delivering programs without textbooks and resources. We must find or create the appropriate support materials for the curriculum.

Research on class size overwhelmingly points to the importance of small classes in elementary schools. Student achievement improves in smaller classes, and learning problems are more easily identified. Remediation can occur early, when it is most beneficial, and the integration of students with special needs is more successful in class sizes that are kept lower. Studies have shown that students who were in small classes in their elementary years benefited through their entire school career. LETO recommends that class sizes in junior kindergarten should not exceed 15 per class, senior kindergarten should not exceed 18 per class, and if it's a combined junior-senior kindergarten class, they should not exceed 35 per class. Presently there are 33 JKs in my classroom.

The maximum class size in grades 1, 2 and 3 should be no more than 20 per class, the maximum class size in grades 4, 5 and 6 should be no more than 22 per class, and in grades 7 and 8 no more than 25 per class.

Class sizes in Ontario remain too high. The restrictive space limitations, coupled with the mandated averages, increase the number of your combined grade classes. At the same time, the province did introduce a grade-

specific curriculum. In the context of larger class sizes and regular grade-specific curriculum, combined classes disadvantage your elementary students and increase the workload of your elementary teachers. Teachers have to prepare more lessons; students take more work home.

Students from smaller classes in the primary grades are more likely to take challenging courses in high school, are less likely to drop out, are more likely to graduate on time and are less likely to be retained in the class or grade. It is true that the cost of implementing small class sizes is not cheap. However, in the long run the cost of not reducing class sizes will likely result in greater social and economic expenditures.

We recognize that this government will attempt to reduce class sizes over the next four years. However, we do not want to see junior and intermediate classes increase as a result. A plan to reduce and maintain class sizes in all grades in the next four years will be greatly appreciated and will benefit all elementary students.

Ms Lofts: In conclusion, primary education is perhaps the most important investment in our province that our province can make, and invests a public investment in each child, society as a whole and the future of all its citizens. It takes an entire community to raise a child. Strong public education reduces costs to taxpayers in the long run by providing healthy, vibrant communities, reduces the stigma of poverty and replaces it with skilled workers for the workplace.

The Rozanski report's 33 recommendations confirms that the education system is in financial crisis. The report of the education task force puts the ball clearly in the court of the provincial government. Rozanski heard that, "We cannot afford not to make an adequate investment in education." The answer is not just to throw money at education; it's to make a strategic investment in the goal of continuous improvement. Rozanski stated "that funding is maintained at a level that will allow boards to meet the province's education objectives and on conducting regular reviews to update the benchmark costs in the formula."

We urge this government to restore the money that was removed from education. Teachers will then feel that they are valued and contribute in a positive way for the future. The Rozanski report's implementation will require a fundamental change in the government's budgetary strategy. The millions of Ontarians who are welcoming Rozanski's recommendations are waiting. Elementary teachers want our system to be the very best that it can be. We challenge you to do the right thing for public education in this province.

The Chair: Thank you. We have about three minutes left, so there will only be questions for one caucus. In this rotation it will go to the official opposition.

Mr Tim Hudak (Erie-Lincoln): Thank you very much for the presentation. One point we've made consistently, at least on this side of the table, is that government should keep their promises. If they made a commitment during the election campaign, they should follow through and actually do that. I think in the first 100 days of the Dalton McGuinty government we've

actually seen quite the opposite. Unfortunately, a lot of broken promises, I think, make all politicians look bad.

The committee is hearing all kinds of presentations for increased funding. I think probably the ones that are most likely to get funded should reflect the commitments the government made when they were campaigning. So specifically, you mentioned the independent school tax credit and its reversal by the current government. The commitment was to put that money into public education, wasn't it?

Ms Lofts: Yes, I believe so.

Mr Hudak: They estimated that about \$300 million, I think they said, was lost through that. Since it's been repealed all the way back to January 1, 2003, how much of that money has been reinvested here in the Lakehead board, of that \$300 million?

Ms Lofts: How much has been reinvested?

Mr Hudak: Yes.

Ms Lofts: I do not believe that there have been specific transfers in any area. I do know that there were some monies that have been transferred for literacy initiatives that we did receive. I can't comment on the rest; I didn't come prepared to. We do have a superintendent who is responsible for running the finances of our board, and I would certainly have to refer to his books and to him in order to respond in an adequate matter.

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But what I do know is that this government has already started to implement some of their promises which cost nothing, and the first promise was to repeal the PLP, the recertification. That's not going to cost this government anything, so they'll follow through on one of the promises. The other promise that I believe they're going to start to follow through on is looking at the College of Teachers—

Mr Hudak: What specifically did they promise to do with the college?

Ms Lofts: With the College of Teachers, they're going to review the way it has been set up and then, based on dialogue with the federations—if it's supposed to truly be a self-regulatory body, then why is it governed by a majority of government employees? You don't see that in other professions.

We also see respect. We have actually heard this government say—Gerard Kennedy at every opportunity says how he respects the work of teachers. That doesn't cost anything. That isn't in advertising. That comes out of him. It's a genuine, sincere admiration for what we do, and we appreciate that.

Mr Hudak: But what I thought I had heard through teachers was that they were going to get a majority of seats on the College of Teachers, that if Dalton McGuinty got in, there would be a majority of seats for—

Ms Lofts: But some of these people have been committed to at least April 1. They get to hold their position until April 1.

Mr Hudak: But the commitment was to change that beyond—

Ms Lofts: And it will happen. We also do not expect all primary grades in this province to become capped at 20 to 1. We anticipate that by the end of this government's term, that will have started. We expect those promises to begin. We do not expect them all to begin immediately. We have a serious situation with the deficit. We will help the government. We believe the taxpayers will accept a tax increase, a modest one of perhaps 2%, in order to help us deal with this deficit.

Interjections.

The Chair: Thank you for your presentation this afternoon. I remind members not to demonstrate, please. Thank you for your participation this afternoon.

I call on the Thunder Bay and District—

Mr Colle: Don't let them push you around.

The Chair: Order, please. Order. I call on the Thunder Bay and District Injured Workers' Support Group to come forward, please.

Mr Hudak: On a point of order, Mr Chair: While we're waiting for the group to come forward, I want to register my concern. In Niagara Falls, I had a chance to put some motions on the floor for free debate of the committee and for the committee to make some recommendations to the finance minister. I guess the next—

The Chair: We've been asked by Mr Klees—he's given notice that he wants to put a motion. We advised that he could do that on your rotation.

Mr Hudak: As do I, Chair. I have a motion to put forward—

The Chair: I'll hear from the Thunder Bay and District Injured Workers' Support Group.

Mr Hudak: Mr Chair, I thought I had the floor.

The Chair: You do not.

Mr Colle: Let's hear from the injured workers who are here.

The Chair: There's not a point of order. Mr Klees has given notice and we said that we would deal with his when his rotation came around. He didn't choose to do that. He will have other opportunities this afternoon to put that motion.

Mr Hudak: Can you explain to me what's required in a notice of motion? Did you then require me to give notice the last time I was at the committee?

The Chair: We have had a motion put forward. I can read it for the committee again, if that is the desire.

Mr Hudak: Sure.

The Chair: On January 28, 2004—it was carried on January 29, 2004—Mr Colle moved that, in order to ensure that all scheduled presenters are treated with respect and dealt with without delay during the committee's public hearings on pre-budget consultation, the committee adopted the following procedure:

That notice be provided of any proposed motions that would refer to issues that would normally be included in the committee's report-writing stage;

That the time limit for providing notice of a proposed motion be up to two minutes;

That, upon notice being given of such a proposed motion, each party be allowed up to two minutes to respond to the proposed motion;

That, following any responses, the committee postpone further consideration of the proposed motion until the committee commences its report writing; and

That adoption of the above notice procedure would not limit in any way the right of committee members to move any proposed motion during the committee's report-writing stage.

THUNDER BAY AND DISTRICT INJURED WORKERS' SUPPORT GROUP

The Chair: We'll now hear from the Thunder Bay and District Injured Workers' Support Group. I apologize for the committee work going on here. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions if you so desire. I would ask you to identify yourselves for the purposes of Hansard. You may begin.

Mr Steve Mantis: Thank you, Mr Chair. My name is Steve Mantis. I am the president of the Thunder Bay and District Injured Workers' Support Group. On my right is Ross Singleton, the secretary, and on my left is Robert Guillet, who is a board member.

We want to start by saying thank you for coming to Thunder Bay and thanks for allowing us to present here before you. We're a group, a volunteer organization, made up of injured and disabled workers and family members and supporters who are looking for justice from you as a government, as our elected representatives, and as the people who oversee the Workers' Compensation Board, or the safety and insurance board, which provides service—supposedly—for people who become injured and disabled at work.

It's interesting just watching for the last little bit and seeing the manoeuvring and the politics going on. You'll have to excuse me; I'm a little bit nervous because, as injured workers, we usually don't have access to the government. We haven't been asked, really, to be part of the process. So I can feel the blood pumping in the old body: "Oh, my gosh, this is our chance. Are we going to do OK?"

What I've heard so far is different groups coming and saying, "Look, there are programs that have been cut. We need more support." We understand the reason for this, that here were all these promises being made with a whole bunch of good intentions. The finance minister says, "OK, now we've got a \$5.6-billion deficit. What the heck are we going to do?" So we've got this big competition: Where are the dollars going to go, and are there any dollars to go anywhere?

This is so familiar to us. Our group got started in 1984 and has been closely monitoring legislation and policy. Well, it was 15 years ago that Greg Sorbara was Minister of Labour and he brought in legislation to amend the compensation act. At that time, the big issue was, guess what? Our deficit. It was called the unfunded liability, and there was all this commotion: "Oh, my God, we're going broke. What are we going to do?" Well, we're a little bit concerned right now that we've got the same

person who is now Minister of Finance saying kind of a similar thing. What does this mean? Does that mean the programs that people need won't get funded because we've got a deficit? We've got to figure this out.

My understanding of a deficit is that there are two sides to the coin: There's revenue in and there's expenses out. In workers' compensation, what we saw happen was all this talk about this big unfunded liability, and since that legislation was brought in, what has happened? Assessment rates and revenue have gone down and down. In the last 10 years, it's decreased over 30%. That's over \$600 million a year.

If there's a big deficit, if there's a big unfunded liability, what the heck are we doing lowering our revenue? And yet as the revenue goes down, then, "Gosh darn, we've got to find ways to cut benefits because, jeez, our revenue is going down. Now we've got to find ways to cut costs." What does that mean? That means cutting benefits to the people sitting in front of you and for the thousands and thousands of people who aren't sitting in front of you here. There are over 350,000 workers every year who have a work-related injury or disease. There are over 300,000 workers in Ontario who have a permanent disability. That's a lifelong disability.

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What do we see? We see legislation that Greg Sorbara brought in, the wage loss system. You'll see in our brief that we've got some nice quotes about all the good stuff it was going to do. It was going to make the system fair. It was brought in in 1990. In 1990 there were over 20,000 people who were recognized with a permanent disability as a result of workplace injury in Ontario. That number has fallen and fallen, and those 20,000 got a pension.

The research that was done in 1988 to 1990—the biggest research project ever done—found that over 50% of these 20,000 workers were unemployed as a result of their workplace injury, so that's 10,000 unemployed. Last year, 2002—well, since the annual report came out—15,000 workers were acknowledged to have a permanent disability from work—15,000. Only about 2,000 ended up with any kind of long-term benefit. The research shows that over 50% of these are unemployed. So what happened to the rest of them? This new system that's going to make it fair for workers means that these people, who used to get some kind of pension, even if it was quite modest—the average was \$300, \$400 a month—are now receiving no benefits.

What happens to them? Who picks up those costs? That goes into that \$5.6-billion deficit we've got right now, because these people now go to welfare, these people now go to subsidized housing, these people now go to OHIP to cover their medical expenses that get worse and worse every year, because once you have a disability, you rely more and more on the health care system. So we see a cost-shifting as well. These people still need support, but the system that was there to provide that support wasn't doing it, so now other parts of the community and the public purse are starting to pick up those costs. Is this right? I'm not quite sure. I don't think so.

When we think about revenue and the deficit, we'd like to see a system of progressive taxation. It seems to me that in the 1960s and 1970s, this was the process our governments across the country used. It's one where those people who have more contribute more, so that we all, as a community, have a better shake, so that we all are able to participate, so that we're all able to pay our rent and look after our kids. You'll see all kinds of stats—Maurice Fortin here, from the Canadian Mental Health Association; we've talked to people. A third of their clients are injured workers who are stressed out by the system and are now coming for public aid.

We're looking for ways to, yes, raise revenue in a way that starts narrowing the gap between rich and poor. We're hearing this more and more: The gap is growing bigger and bigger; poorer people are getting poorer; the rich are getting richer. I don't think that's the way we want to build our society in Canada and in Ontario. Certainly those are not my values, and our organization is there to help each other, not to say, "How much can I get, and how much do we have to make sure you don't get so I can get more?" That's not the kind of community I want to live in. I want to live in one where we look after each other, where we help out, where we pitch in and those who can afford to do more, do more.

The thought of selling our assets to pay for current costs: Who the heck can do this? OK, as I get older and have five or 10 years to live, maybe I'll sell my house so I can pay other bills. But I know I'm going to die. Are we saying we're all going to die in 10 years, so we might as well sell our assets because we won't be around here anyway? This is exactly what the Conservative government did year after year to balance their budget: sell off all our stuff. We'll get to a point where there's nothing left to sell but we still have to pay for all this stuff. We have to put a stop to this.

We voted for change. Here in Thunder Bay, we elected two Liberals, because we were sick and tired of the kind of stuff we were getting from the Conservatives. Show us we did the right thing. Show us that we're not getting more of the same. Because certainly what we hear in the news is that we're getting more of the same. Please show us that you are different, that you do have a social conscience and that you're here to support everybody in Ontario.

From the example of injured workers—this gap between rich and poor—assessment rates go down 30%. Who gets all this \$600 million back? It's the 10% of employers—the big employers—who are really some of our richest citizens in Ontario, who get 90% of that money back. That's \$500 million last year that employers benefited—big employers. The vast majority of employers, 90%, hardly see anything in terms of this reduction of assessment rate, but the big guys get the big bucks back. It seems to me this is not very progressive.

The system was developed on the concept of collective liability. Collective liability means we're all in this together and we need to find a way to make it work together. It's got to the point of, "Let's find ways I can

get the most out of this and manipulate it the most.” So now we have a system that is full of adversarial relationships.

We’ve attached some research to the back of our brief that talks about how the system creates the breakdown of moral relationships between employer and employee because, “Here’s this pile of money, guys. Go for it. See how much you can fight, and see how much you can get.” Is that how we want to work it? I don’t know. I don’t think so. Let’s go back to our roots, where we look at how we can do this together. There are better ways to do it if we work together and contribute as we can.

On page 9 of our paper, we come up with our vision of how the compensation system should be framed in Ontario. It really goes back to the founding principles, back in 1914 or 1915, of Justice Meredith, who was a Tory—right on. Here were these principles: Let’s have collective liability; let’s have permanent pensions for people who have a permanent disability; let’s not have big fights over whether you can do this or that—if you have a disability, there should be some recognition for that.

What we see is that as people with a disability get older, more and more things are affected by that disability. I myself lost my arm 25 years ago. I went back to work on construction and did that for 10 years until I physically couldn’t do it any more and moved into a desk job. Now, after 25 years, I’m finding that I’m having trouble with my neck, my shoulders, my back, my hips. It’s become so hard for me to balance the demands of the job and the demands of my own health and of my family that I’ve left employment. I’m one of those “voluntarily withdrawn from the workforce,” as the compensation board would put it, but it’s really because of my disability. We see that as people with disabilities get older and older, they have a harder time keeping up with the pace and rely more on the social safety net, and the system isn’t there for them. We need systems that are there for the people of Ontario.

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Just two days ago, there was a presentation to the Institute for Work and Health, the leading research institute on these issues in Canada, by a fellow who started out as a doctor and then went back to school and got his law degree and is now looking at the cost to the system. His presentation was on cost-shifting in the system from workers’ compensation to OHIP. He’s still in the middle of his research, but he’s seeing very clearly that there are considerable costs for work-related injury and disability being borne by OHIP, by the public purse, that should be paid by the system but aren’t. Maybe if we start paying attention to some of this stuff, the deficit will start coming down and the costs will go where they should.

One of our key goals is protection against inflation. When I got hurt 25 years ago, in 1978, I was in the Downsview hospital, in a room with another fellow, another amputee—same level of amputation, right up here. He got hurt 30 years earlier working for Massey

Ferguson—a good job, a union job, good wages. I got my pension, \$650 a month; he was making \$65 a month. Inflation had eaten away his benefit.

In our legislation, we’ve lost protection against inflation. I just look at my own level of pension over 25 years. My pension was indexed until the last half dozen years. So I’ve been losing now, but until that point, if I hadn’t had protection, I would have lost about 70% of the value, because my pension has increased about 240% for inflation. Our real concern is that as people get older and their condition gets worse, what happens? The benefits they get are reduced down and down because of the lack of inflation protection.

Ross has a letter he got just recently on this issue.

Mr Ross Singleton: I’ll just read part of it. If you’re on any kind of benefits from WSIB/WCB, the formula for calculating the cost of living was bastardized, as Steve said, in the mid-1990s.

“The formula used calculates cost of living at 50% of the consumer price index less 1%.” According to the board, “The CPI for the 12-month period ending October 31, 2003, is 1.6%.” I would question that; however, this is not the time or the place. “When we apply this year’s CPI percentage to this formula, the result is a 0% cost-of-living increase to your benefits....”

In the last eight years, I’ve seen my pension go up approximately \$4. I’ve always said I’m one of the more fortunate ones—I actually have a full-time job; I’ve managed to get back into the workplace—but I’m one of the very few. When you’re figuring out your budget, those of us who are at the other end of the pole need cost of living to be able to at least buy the loaf of bread that we could afford when I got hurt back in 1979.

Mr Mantis: Thank you very much, Mr Chair, for allowing us to present to you today. We’d be pleased to take any questions.

The Chair: We have about two minutes, so we have time for one caucus. This time it will go to Mr Hampton, of the NDP.

Mr Hampton: Thanks again for a very informative brief. I want to zero in on a couple of things you said: “We need an act that has a clear focus to assist workers with a permanent disability by providing: a pension for life for a disability for life; full cost-of-living protection; real jobs and job security or full compensation.” You dealt, I think, with the cost of living, and I think you dealt with the “pension for life for a disability for life.”

I want to ask you for the last two: “real jobs and job security or full compensation; provision for maintenance of full entitlement to CPP and workplace benefits.” Are you saying that in many cases, when people do try to return to work, under the legislation as it is now employers are not all that co-operative in terms of ensuring that workers can return to a full-time job and have job security? What’s the experience?

Mr Robert Guillet: You can’t go in and tell the employer that you’ve been on compensation, because he won’t even hire you.

Mr Singleton: Accommodation is another big issue, where if you’re in a heavy industrialized type of position,

often it will be, “No, you can’t go back to work. There’s not modified work for you.” A lot of times employers now—we use the term “walking wounded”; again, this is what Steve alluded to—will have you go on a company plan, which is ultimately paid for through the company, just to keep you off compensation. There is no work you can do but at least you’re getting paid. But somehow you seem to lose the job, and then you’re out the door and you have no claim because there is no continuity of claim. It’s a real issue.

The other aspect of it is the deeming by the board, that in Thunder Bay, for example, you can go out and make a job for \$15 an hour, where the unemployment rate is just astronomical and there is nothing but service entry jobs, minimum wage, tops of \$9 an hour. They’ll go to different codes—I forget the exact terminology—and say, “Oh, but you can make \$20. Therefore you’re not going to have any future economic loss.” That’s how the system works now. Therefore you’re not getting any compensable benefits. It’s a real issue, because if there isn’t a real job, how can they, out of the sky, pick a number that you’re going to be able to make if you can’t get work?

Mr Mantis: Really, the statistics show that whether your disability is work-related or not, your chance of maintaining employment is less than 50-50. As you get older, once you reach the age of 50 and over, you’re falling down to about a 30-70 chance of being able to maintain employment. In this economy there is very little latitude shown by employers for disability. If you’re not 100%, find another job.

The Chair: Thank you for your presentation this afternoon.

I call on the Thunder Bay Medical Society.
The Ontario School Bus Association.

ONTARIO SCHOOL BUS ASSOCIATION

The Chair: Good afternoon. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions, if you so desire. I would ask you to identify yourself for the purposes of Hansard. You may begin.

Mr Gene Trottier: Thank you, Mr Chair. First of all, I’d like to clarify that I’m not the Thunder Bay Medical Society. I’m with the Ontario School Bus Association. There’s been a scheduling change.

Mr Chair and members of the standing committee on finance and economic affairs, my name is Gene Trottier. I own and operate Trottier Bus Lines, a small school busing company that operates on the north shore of Lake Superior on behalf of two school boards that share coterminous busing in the Schreiber, Terrace Bay, Marathon and Manitowadge areas. My company has provided home-to-school bus transportation since 1969. I have operated in other areas of the province, including the city of Thunder Bay.

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As a director and past president of the Ontario School Bus Association, as well as a member of the trans-

portation funding review committee, I have had ample opportunity to examine and compare transportation grants to all the areas of the province. Hundreds of pages of allocation, costing and enrolment figures have been made available to committee members over the past five years. Upon examination of those figures, two major observations have become glaringly obvious.

First, current student funding grants are indexed to historical costs. Boards that traditionally spent more, in the sense of funding their local priorities through higher local share, have received higher protected amounts in the post-1998 funding allocations. The system provides little or no incentive to optimize for cost-efficiency now.

Secondly, boards that traditionally spent more frugally, that worked with school bus operators to identify local transportation efficiencies to control costs—that is, through shared busing, multiple routing, staggered bell times—receive lower funding allocations. These boards are financially penalized for exercising cost-efficiency as time goes on.

From 1992 to 1996, the efficiencies that were achieved by boards were made necessary through a desperate need for savings resulting from stagnant or decreasing enrolments and the reduced funding which resulted. Invariably, boards in the north and northwestern parts of the province were forced to make cuts to transportation service and freeze or reduce operator rates. In 1998, when the new temporary funding formula was applied—and I stress “temporary”—boards that had already achieved efficiencies had the transportation grant door slammed behind them, and up until last year were directed to find their escalating transportation costs through efficiencies. However, for most northern boards those efficiencies had already been achieved prior to 1998 and escalating transportation costs could only be covered by cutting service, cutting operator rates or permitting the age of their bus fleets to increase. In the meantime, in the south of the province, some boards continued to show large transportation funding surpluses without service cuts or fleet deterioration. That scenario does not present an equitable student transportation service.

The issue of higher transportation costs is also of paramount significance and importance to the northern and northwestern boards specifically. Typically, the geographic areas included with these boards, with the exception of a few larger centres, including Thunder Bay, Sault Ste Marie, Sudbury and North Bay, consist of many small communities spread over long distances. This has resulted in a number of small bus fleets owned by individual operators in different communities averaging a fleet size of 10 buses or less. Economies of scale are not available even when, as in my own case, a fleet of 20 school buses is spread over three communities, each 100 kilometres apart. Each pocket of the operation requires separate management, mechanical facilities and spare bus deployment. Even a fleet of 100 buses spread out in a similar manner could not achieve any significant economy of scale due to the duplication required in each

small centre in order to provide service and efficiency as each deserves.

The fixed and operating costs for these areas are also significantly higher. Beginning with the additional equipment required for a properly equipped school bus for northern use, the additional cost of extra heaters and larger alternators to run them, electric rad shutters for heat retention and traction tires for severe weather conditions will add several thousand dollars to the cost of a bus. In addition to that, the delivery cost for buses delivered to the north and west of North Bay and Sault Ste Marie is in the range of \$1,000 to \$1,500.

Once a bus is put on the road, the cost of parts and maintenance continue to command a greater expense than in the more populated areas. Parts are typically purchased at higher costs from local dealers due to the unavailability of aftermarket sources. Small operators are often required to stock more parts and inventory due to long wait times when ordered from the dealers. In most situations, my own included, several maintenance garages are necessary since many small communities do not have a public facility large enough to accommodate large school buses, or the garage owners are reluctant to tie up garage space with a bus when the same space could accommodate three cars.

Buses purchased in the last five years are equipped with computerized engines, transmissions and braking systems. Warranty and service of these systems are available from dealers only. On the north shore of Lake Superior, for example, there are no International or Freightliner dealers between Thunder Bay and Sault Ste Marie, a spread of 700 kilometres. An operator who is located between these points is responsible to drive or tow their bus to the dealer in order to receive repairs. The resulting cost of fuel, driver's wages and towing charges is the operator's to bear.

In order to reduce costs, boards have permitted operators to operate buses for longer periods of time, thus reducing the fixed or capital cost portion of the operator's contract. The resulting effect on the operator has been higher maintenance costs. I have not had, nor do I know of any operator who has had, an increase in maintenance cost allocations since 1992.

The cost of operating school buses in northern and northwestern Ontario is higher than in the south, southwestern and more populated areas of the province. Prior to 1992, the ministry's transportation grant to school boards included an additional 15% allowance to northern and northwestern boards. This additional cost factor has not changed since 1992—and I stress "cost factor"—and again needs to be recognized by the ministry.

The transportation funding review committee has been working on developing a new funding formula since 1998. Attempts to include province-wide standards for walk distances, ride times, pupil loading and operating cost recognition were rejected by the previous government. The newest proposal consists of allocating funding to boards based on a multiple of enrolment and distances students live from the schools.

In December 2002, in the report of the Education Equality Task Force, Dr Rozanski recommended that the student transportation grant be increased to \$691 million to implement a new needs-based transportation grant. The grant currently stands at \$651 million, \$40 million short. In June 2003, the Minister of Education announced that a new needs-based student transportation model would be implemented for the 2004-05 school year. Without the additional funding, this will not be possible.

In the publication *Excellence for All: The Ontario Liberal Plan for Education*, it states that, "school boards in rural and northern regions need funding that reflects the transportation and other costs of far-flung regions.

"We understand that schools in urban, rural, suburban and northern areas have different needs. The funding they receive should reflect the needs of those communities."

On January 31 of this year, the education minister, during his address to the Ontario Public School Boards' Association conference, stated that transportation was the worst part of the funding formula and that is why it is competing highly with priorities this year.

Mr Chair, I strongly urge this committee to recommend that the new student transportation model be implemented as planned this September and funded as recommended by Dr Rozanski in order to ensure that the viability of our student transportation system be maintained and the inequities of the past be eliminated.

Thank you. I'll take your questions.

The Chair: We have about three minutes per caucus, and we begin with the government.

Mr Colle: Thank you very much, Mr Trottier. You've obviously put this in a good perspective with your last statement about the fact that there are competing priorities. I think the minister's statement that this has to be near the top of the list of competing priorities because there's obviously a deficiency—I'm just trying to see the root of this in terms of why, again, in northern Ontario there is this gap in funding that doesn't exist. Is it throughout rural northern Ontario or is it just northern Ontario where this happens with transportation funding?

Mr Trottier: Our experience has been, through the telling of the transportation officials who have sat on the funding review committee, that the primary problem has been declining enrolment, in that the funding grant was based upon enrolment and changes in enrolment. Prior to two years ago, the transportation grants were actually reduced as enrolment decreased even though in many cases transportation needs would increase as a result of schools being closed or—

Mr Colle: They had farther to go.

Mr Trottier: Exactly.

Mr Colle: I think I understand, because it's almost the same type of thing that's happening within schools. As enrolment declines, they still have to heat the school and they still have to offer the programs, so costs don't necessarily decrease because you've got declining enrolment.

Mr Trottier: That's right.

Mr Colle: I think that helps explain and clarify it.

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Mr Trottier: I'll also tell you that the problem with funding isn't something that's exclusive to the north. I'm here to present a northern position, but I also have represented the entire association in the past. The problems that occur as a result of lack of funding—I will tell you with great certainty that this morning in Metro Toronto 100 buses never left the yard because there weren't drivers to drive them. When drivers cancel, for whatever reason, there is simply not enough of a spare list for the operators to be able to put additional drivers in. As a result, you would have waits from an hour to perhaps an hour and a half, while buses that were in service were able to pick up the rest of the routes. The money is simply not there to recruit and retain drivers. Once again in southern Ontario, I know for a fact that last year a sizable company had 50% turnover in driving staff. We're talking about new drivers coming on board as well. They were simply not able to recruit and retain the people they had because of their lack of ability to pay the wages they need to pay to keep these people.

Mr Colle: We also had reference to that in Timmins, the fact that the funding hasn't been kept up on the capital maintenance costs and also the wages for bus drivers.

Thank you very much for your presentation.

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

Mr Hudak: Thank you, Mr Trottier, for your presentation, and for being here early as well to jump in. Obviously we've heard a number of presentations on the need for increased funding. Many of the groups come forward with commitments that Dalton McGuinty or their local Liberal candidates had made during the election, which you would think would help them make a presentation, because I think you would expect that governments would carry through on election promises. Did they make any commitments to the school bus association or to you in particular about what they would do for your situation if they were elected?

Mr Trottier: If they were elected this last time around?

Mr Hudak: Yes.

Mr Trottier: I suppose, as I referred to in my presentation, that the new funding formula would be in place by September 2004, carrying with it the implication that it would be properly funded as well, funded to Dr Rozanski's estimated amount of \$690 million, which is currently \$40 million short.

Mr Hudak: So they had made a commitment that they would increase the funding by \$40 million for this upcoming—

Mr Trottier: In all honesty, not directly, but they did say it would be implemented, and it was indicated that in order to implement it, it would require the additional funding.

Mr Hudak: So to be clear, they indicated that the full Rozanski funding with respect to transportation would occur?

Mr Trottier: Once again, they didn't say it in that many words, but they did say that the new formula would be implemented. I'm not trying to get away from your question, really.

Mr Hudak: You sound like a politician.

Mr Trottier: Well, I'm trying to represent it as I understand it.

Mr Hudak: The other thing I wanted to ask you about is, I understand that in Schreiber, Marathon, Manitowadge you had talked about coterminus busing existing, which to me makes a lot of sense. What would you recommend the government do with respect to encouraging coterminus busing throughout the province of Ontario?

Mr Trottier: I believe that, once again, Dr Rozanski made the recommendation that coterminus busing be employed by all boards in the province, and I'm sure that would assist in many cases to relieve some of the pressure. I know in a few instances, which I won't name, there could be additional savings received as a result of doing coterminus busing. It was a recommendation of the funding review committee at one time that coterminus busing be implemented as part of the government's policy. That recommendation was not taken by the government.

Mr Hudak: When Dalton McGuinty had indicated that he would look at the Rozanski funding level for transportation, did he also indicate he would follow through on the co-terminus busing recommendation of Dr Rozanski?

Mr Trottier: I'm not sure of that.

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

Mr Hampton: I just want to confirm something with you. I want to make sure that my experience is your experience. The communities I represent, which are all west of Thunder Bay, implemented co-operative busing between the separate boards and public schools and between high school and elementary schools very early on, in the mid-1990s. So when this started to be mandated or when boards were told, "You have to cut your busing costs," companies like yours and boards of education that you work for had already done that. You got no credit for it; in fact, you got penalized for it. Is that a fair statement?

Mr Trottier: That's correct.

Mr Hampton: Given where you are, do you have a sense of what needs to be done to make up for that penalty?

Mr Trottier: We had always hoped that with the new funding formula, the boards that had achieved those efficiencies would be recognized for it, and where boards had not and continued to have surpluses—and today there are boards in the province that do have surpluses—the monies would be reallocated.

We very quickly came to realize that this was not going to happen, because if a board had a \$5-million surplus, as one in particular does, that money has been spent somewhere else already and it's not going to be taken from their overall budget and sent to one of the northern boards' transportation budgets.

Mr Hampton: As I understand it, part of the problem you're up against is that to be a driver of a school bus you have to have a certain type of licence. You can't just get by on an ordinary licence. You've also got to have the safety training and everything else. Once you have all of that training, it probably pays you more money to go out and drive a truck than it does to drive a school bus.

Mr Trottier: You're absolutely right. With a B licence you can go out and drive a dump truck. You still have the proper licence to do that. School bus drivers make between \$12 and \$13 an hour on average, I would think, if a bus has children on it. Here in the city of Thunder Bay, if you work for the board of education and you drive a half-ton hauling parcels around, you make between \$18 and \$20 an hour and you get full benefits with that as well.

Mr Hampton: How does it make you feel that we're prepared to pay somebody who's driving a dump truck more money than we're prepared to pay someone who may have 40 or 50 children under their care? It seems to me that there's something terribly out of whack here. Yes, it's important to haul a load of gravel, but I would think having 40 or 50 young children whom you're responsible for carries far more responsibility.

Mr Trottier: Absolutely. My experience, in the 35 years that I've been in this business, is that school bus drivers aren't made, they're born, these particular people. I would say 95% of the people who work for me are women and are extremely dedicated. They love what they're doing, but they're getting harder and harder to find.

The Chair: Thank you for your presentation this afternoon.

Is the Thunder Bay Medical Society present? No.

We have a notice of motion presented by Mr Klees. If it's his wish, we could hear that motion now.

Mr Frank Klees (Oak Ridges): I'm not ready right now.

Mr Hudak: He's getting his typed up, Chair.

The Chair: It says "Notice of motions"; Mr Hudak also has a motion. We'll deal with it now.

Mr Hudak: Thank you, Chair. First, I want to register my disappointment in the rather draconian motion ramrodded through the committee a week or so ago by the Liberal majority members that limits debate to two minutes—to not just two minutes per member but to two minutes per entire party. I think it is an absolutely outrageous motion, considering this Liberal government had promised greater rights for individual MPPs, members and committees.

I move that the committee on finance and economic affairs recognize that the mining industry is vital to the success of the northern economy; and

That the committee recommend to the Minister of Finance that existing measures to encourage investment in the mining sector such as the 50% reduction of the mining tax rate; a 10-year tax holiday for new mines opened in remote locations; and a flow-through share

program to spur investment in mineral exploration and development be protected in the 2004-05 budget; and

That the committee recommend to the Minister of Finance that he reconsider the recent increase to the mining income tax rate and look at other tax measures that would encourage further growth and development within this sector.

The Chair: You have two minutes for a comment.

Mr Hudak: I want to register my regret at the beginning that the government members have limited the voice of the opposition to a total of two minutes per motion. We have a couple of members from northern Ontario here who I think would have a lot more to say about this particular industry and the impact it has across northern Ontario, but they're going to be limited—they've split the time—to one minute each. I'd be very pleased and I would certainly like to waive this motion so they could comment quite a bit longer on the importance of the mining industry.

1430

Mr Chair, as you may know, I had the honour of serving as the Minister of Northern Development and Mines under the Mike Harris government, and in the 2000 through 2002 budgets we reduced the mining tax rate from among the highest in North America to a much more competitive rate to spur investment in the mining sector. We coupled that with an incentive for remote mines in the far north of Ontario. There was a 10-year tax holiday. Examples of that could include the new diamond mine just outside Attawapiskat, or other exploration going on outside of urban boundaries that would qualify.

Third, to spur investment in exploration and development to help out the prospecting industry and new mines across northern Ontario, we brought in a flow-through share program. The federal government had one as well. I understand this has been a remarkable success, with all kinds of new activity in many sectors in the north, including around the Thunder Bay area.

I think it's absolutely vital, in this last hearing that we have of this committee in northern Ontario, for the government members to speak in support of this motion to make sure that we continue to support the mining industry in northern Ontario and the province as a whole.

The Chair: Thank you, Mr Hudak. Any other comment? Hearing none, this motion will be postponed until report writing for further comment.

Mr Klees: Chair, my motion is just being printed off, so as soon as it comes in, I'm happy to present it.

The Chair: Thank you, Mr Klees.

Mr Hudak: On a point of order, Mr Chair.

The Chair: There's no point of order.

Is the town of Fort Frances present?

Mr Hudak: How do you know there's no point of order?

The Chair: Point of order.

Mr Hudak: Thank you, Mr Chair. I appreciate that. I wonder if it would be in order to allow the government—the government members may not have understood my motion, or they did not comment at all—

The Chair: Comments will be made during report writing, as I stated at the end of your comments, Mr Hudak. That's when it will take place, on March 10. There will be ample time.

TOWN OF FORT FRANCES

The Chair: Is the town of Fort Frances here? I thank you for assisting the committee in its work this afternoon by being present at this time. You have 20 minutes for your presentation, and you may leave time for questions within that 20 minutes. I would ask you to identify yourself for the purposes of Hansard.

Ms Tannis Drysdale: Thank you. I appreciate, actually, moving up on the agenda. I have to be in Sioux Lookout tonight, so I had four hours to get here this morning and I have another four to get somewhere else this evening. Such is life in the north, I guess.

My name is Tannis Drysdale and I'm here today, of course, to speak on behalf of the municipality of Fort Frances. Fort Frances's population is approximately 8,300 people, and we're located about 370 kilometres west of Thunder Bay on the US-Canadian border. We're a pulp and paper town, and the majority of our population's employment is directly or indirectly tied to the forestry industry.

I'm a real newcomer to the world of municipal governance. I've sat on council in my community for a total of two months now, but what a couple of months it has been.

Ten years ago our town carried \$15 million in reserves, and the revenue we achieved through taxation was approximately \$10.2 million. This month we reviewed our financial position to find that the reserves are all but gone and we have an operational forecast, without any capital purchases, that shows we have a \$2.8-million deficit.

Our community is stable compared to much of the north, but stability does not provide growth, and based on our 2003 taxation figures, the revenue that we will achieve through taxes will be virtually the same as it was in 1993. The end result of the process we are now going through is that we will be asking for more and providing less.

One of the major reasons we have such a financial challenge is the cost of our uncontrollable expenses. Uncontrollable expenses result from such essential services as public health, social assistance, policing, and land ambulance. Each year, the cost of these services grows. The increase in costs associated with these services has been over \$1 million in the past three years alone. Although this year we will receive an increase in our community reinvestment fund, the gap between what we are provided and the cost of providing the services widens, and we will be \$1 million short.

I understand that facing difficult times and projected budget deficits appears to be rather a theme in the province of Ontario this year, so I'm coming to you here today not with our hand out but with a solution, a solu-

tion that will create increased revenues for the province and allow us to obtain at least partial control over our uncontrollable costs.

I'm here today to respectfully request that the province of Ontario immediately implement the promised provincial land tax reform that was committed to in the fair assessment system that was implemented in 1998. I am fully aware that this request is neither new nor innovative and that municipal leaders across the north have requested governments to implement this promise over and over again for the past six years. I know that it has been requested by FONOM and by NOMA.

For those of you who are from southern Ontario, where these territories do not exist, I will take a few moments to explain the size and nature of these areas. I've included a map in your packages. If you refer to your map, it only shows northwestern Ontario, and you'll be able to see that the areas outlined in orange represent organized territories or municipalities, and those in either pink or red are the unorganized areas in northwestern Ontario. My comments today will be restricted to two areas: Kenora region and Rainy River region. They represent only two of what Statistics Canada records as 21 unorganized territories across the province.

In the Kenora-Rainy River region, the value of these properties is \$1.4 billion. These properties have been assessed by MPAC, and a fair market value has been assigned. Today the government uses that market value to calculate education taxes. However, the province taxes these properties using a land-based system that works out to a taxation level that varies between \$20 and \$60.

If the province were to "flip the switch," so to speak, on these properties, based on a mill rate only representing about 75% of that paid by property owners within municipalities, I estimate that in just these two territories it would generate an additional \$14 million in revenue. I'm uncertain what the global figure would be for the entire north, but a conservative estimate would have to place it between \$150 million and \$200 million.

But I'm not here to give you ideas on revenue increases alone. The fundamental reason that we are coming today is that there are some complications that these unorganized territories create for our municipality. The first of those complications is representational equity issues. The prescribed makeup of our district social services adjustment board provides for three voting members representing unorganized territories. Collectively, their jurisdictions provide no financial contribution to the cost of services provided. The taxpayers of the town of Fort Frances, who pay for 48% of all municipal costs, have representation from only one member, who carries only a single vote on budgetary issues. This system was prescribed in the process of the creation of the board and may have been effective if the province had fulfilled its commitment to PLT reform. However, the current situation has led to a system of representation inconsistent with contributions.

As municipalities, we are assigned per capita costs for services such as public health. By having no acknow-

ledged, understood ratio of the costs for citizens who reside outside of taxable areas, our per capita rates, I believe, are artificially inflated. In fact, public health costs for my municipality currently are assessed at \$50 per capita, and this is the highest rate anywhere in the province.

Another problem we have is competitiveness issues. Competing for growth in a small municipality under normal conditions is very difficult, but imagine the difficulty we have when we try to convince developers to build in Fort Frances when the province has created a tax incentive zone, with no strings attached, available for business or residential right on our doorstep. You can see in the package attached a comparison of the taxation costs of a property in the unorganized territory and the town. To give you further input on this, in the Rainy River district, where our population has declined over the past few years, in the unorganized territories, we have seen a 21% increase in new dwelling construction—and that's just for residential homes in the unorganized territories—whereas in the town of Fort Frances over the past 10 years, we've only seen a 5% new dwelling construction rate—essentially neutral.

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The final reason we are requesting this is to assist us in finding long-term cost savings. In the absence of a system of rational taxation in our region, we have been prevented from creating an area services board. Without the tools provided in an area services agreement, we cannot find efficiencies and provide the mandated services with reduced administration costs.

In conclusion, we and I believe that the north holds much opportunity for future growth. We are pleased the government has committed to programs such as grow bonds north and we look forward to utilizing this tool to expand our commercial sector.

We encourage the government to continue to actively seek solutions for northern communities that provide us with programs that generate wealth and expand our ability to be sustainable.

We appreciate this venue to discuss with you our challenges and look forward to working with the government of Ontario and opposition parties to ensure future growth for the province of Ontario and Fort Frances. Thank you.

The Chair: Thank you very much for your presentation. We have about four minutes per party. We begin with the official opposition.

Mr Hudak: Thank you very much for your presentation. I always enjoy visiting Fort Frances. I had the pleasure of going to Fort Frances many times as northern minister. Pass my best to the mayor and the rest of council, and former mayor Witherspoon as well, who was always a good adviser to me.

I want to get a couple of things on the record. I appreciate the presentation you made. I think the points you made are very important. The land tax is one that's an important issue to bring up with the government and all three parties. There are a couple of things you didn't

touch on that I thought would be important to get on the record for the finance committee.

The northern Ontario heritage fund is a very valuable instrument for investment in job creation in our communities across the north. I think it's \$60 million per year. Would you support the continuation of the heritage fund at current or increased levels?

Ms Drysdale: I think you'd be hard pressed to find anyone in municipal government or business in northern Ontario who did not appreciate the work that the heritage fund has done in the past and should continue to do.

Mr Hudak: Excellent.

The other quick question I had for you too is, the government has talked about dedicating two cents a litre of the gas tax to municipalities. I'll backtrack on that a bit. The important thing for me is that small towns as well as the big cities like Toronto have access to that kind of revenue. What would the position of Fort Frances be with respect to the two-cents-a-litre gas tax?

Ms Drysdale: We certainly have never discussed it at council, so I can only provide you with my opinion on that subject. As I said earlier, we are facing a \$2.8-million operating deficit, so if the government were to provide us with any additional sources of revenue, we would be most grateful.

The Chair: Mr Klees.

Mr Klees: Thank you for your presentation. It's great to have you make the effort to be here, given your long drive.

I too am familiar with your part of the country. In my role as tourism minister, I had the opportunity to make a number of visits. In that regard, I have a motion here, as a matter of fact, that I'm going to ask the Chair for the opportunity to present, and it relates to the tourism industry. I've had a number of meetings in the past with the northern Ontario tourism organizations, and through our Ontario tourism marketing partnership initiated a northern office to ensure that there would be specific funds designated for marketing of tourism in and across northern Ontario. Could you comment on the importance of the tourism industry to your area and perhaps comment in terms of what you would see as important improvements to the kind of support the provincial government is giving to tourism in your area?

Ms Drysdale: Tourism marketing in northern Ontario is a different function than it is in southern Ontario. I'm the past president of NOACC, the largest business group in northern Ontario, and we were very pleased to see that model come out. It's still new and it's still untried as to whether it's going to be successful or not, but it is the current structure and I think we need to continue on with that.

Tourism will be one of the growth areas we have for northern Ontario. There's a finite resource when we talk in terms of mining or forestry, and tourism has the potential to grow. Our industry requires significant capital to take it to the next level. I know that was something you were very involved with when you were Minister of Tourism. There are a number of things that the industry

itself can do to facilitate its own growth, but it requires the assistance of the government.

Mr Klees: Thank you. Chair, would you mind if—

The Chair: Could we finish the rotation of questions for this presenter first?

Mr Klees: Sure.

The Chair: We'll move to the NDP.

Mr Hampton: Your list of uncontrollable expenses: daycare, Ontario disability support program, Ontario Works, social housing, land ambulance—if I'm not mistaken, virtually every one of those services was either wholly or in part downloaded by the province over the last eight years. Is that not true?

Ms Drysdale: As I've said, I've been on municipal council for two months. I understand that over the last six years—

Mr Hampton: I've been here for eight years. Every one of those was downloaded by the province.

Ms Drysdale: I thought you'd know the answer.

Mr Hampton: The public health part of it: As I understand the argument of the medical officer of health, he says, "Look, I've got these mandated programs. Legislation says I have to cover these programs, but the province is only giving me about half the money. I'm required by law to offer these programs, so I have to go to you, the municipality, and force you to come up with the rest of the money." Is that also true?

Ms Drysdale: That would be what the medical officer has said, yes.

Mr Hampton: Yes. I just want to tell you an intriguing story. I really give this for the edification of the Liberal members. This is something that governments have been around before.

In 1988—Mr Peterson would really appreciate this—the Kenora Board of Education, the Fort Frances-Rainy River Board of Education, expanded their geographic boundary so that all these people in the unorganized territory pay school taxes to the Fort Frances-Rainy River Board of Education. The Kenora board wanted to expand their geographic boundary to take in all those mansions on Lake of the Woods. Boy, did they ever get some heavy-hitting letters from some people named John Turner, James Richardson and Lloyd Axworthy. That idea which was put forward by the board folded somewhere on the Minister of Education's desk at the time. There are real politics involved with this. It's a real equity issue. I really look forward to seeing you raise the property taxes on John Turner's Lake of the Woods mansion and see what happens.

Ms Drysdale: May I respond?

Mr Hampton: Yes, go ahead. That's fair.

Ms Drysdale: I also own a cottage property in unorganized territory so it wouldn't just be John Turner's; it would also be my property and I should be paying my fair share.

Mr Hampton: My point is, some voices are louder than others.

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

Mr Colle: It's interesting: When Mr Hampton came to power in 1990 he had the chance to hit Mr Turner and company. I guess for some reason it never happened.

Mr Hampton: No; we did.

Mr Colle: Anyway, I think you made a good point, though. This is a real tax loophole, basically, that is hurting municipalities like yours. Thanks for bringing it to our attention. It's interesting that the previous government members didn't talk about it. They had the opportunity for the last eight years to address it and they made no mention of the fact—

Mr Hudak: Lower taxes—the other way from where you guys are going.

Mr Colle: Sorry. They had eight years to address this inequity too and they made no mention of it. That's the big reason that you're here, right: to address the unorganized territories tax holiday?

Ms Drysdale: Absolutely.

Mr Colle: By the way, I think you deserve a lot of credit for taking on that hard job as a councillor in Fort Frances and all the travelling you do. It's really commendable that you're volunteering, basically, for this kind of service to your community. I commend you for doing that and caring enough to be here.

I guess the solutions are difficult ones because there are interests that don't want to pay property taxes. Why own a property in Fort Frances, or build a house in Fort Frances, when you can go outside the border on the other side of the highway and you're basically tax-free? You know the old saying, "Why buy the cow when you milk it through the fence?" They're getting municipal services like public health and they're coming into town for different services and they're not paying their fair share. That's what's happening.

So you've had the support of the various organizations like FONOM and NOMA, yet nothing's been done. You're saying that looking at this tax loophole might be one way that the government can possibly allow municipalities like yourselves to get some of the dollars necessary to provide those services to all people within Fort Frances and outside the border, right?

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Ms Drysdale: Actually, I'm not looking for my municipality to receive dollars from unorganized territories. I'm looking for you to receive them. Then we'll have a situation that's created where you have taxation and representation and we have equity. This money would go to you, the province, not to me, the municipality.

Mr Colle: But if it's property taxes?

Ms Drysdale: You pay provincial land taxes, and you could pay provincial land taxes that were based on market value assessment and we would provide them to the province.

Mr Colle: What you're saying is a bit of a derivation here. So they wouldn't be essentially assessed and collected locally, like the taxes are in Fort Frances?

Ms Drysdale: No, they'd be assessed exactly the same way as you do school board taxes on those same properties, perhaps even on the same bill.

Mr Colle: If you could—

Mr Hampton: There's no municipality in place to collect taxes there. The only tax collecting mechanism is the province.

Mr Colle: Unless they changed the boundaries. Anyway, if you could give me further—I'll get more information.

My colleague here from Sault Ste Marie has some questions.

The Chair: There's just a minute left.

Mr Oraziotti: I'll be as quick as I can here. Thanks for driving such a great distance.

On the last page in your presentation you make reference to giving us the tools to have economic growth in northern Ontario. I'm concerned about focusing on solutions here for northern Ontario. The grow bonds strategy, the northern Ontario tax incentive zone that's presently under review: There are some problems with it in terms of the distances from the GTA, for example. A pan-northern strategy would obviously disadvantage communities farther away. It also asks for municipal share to be given up, as well as the issue with existing businesses versus businesses that would come to the community. Could I just have your comments quickly, if you can, on how you feel about the tax incentive zone, what might be changed in that initiative if it's to be properly implemented, and, as well, your comments on the effectiveness of grow bonds.

Ms Drysdale: Again I'm speaking for myself, particularly when it comes to the tax incentive zones, although our previous council did approve a resolution supporting it.

With regard to grow bonds north, that was a program I forwarded when I was president of the Northwestern Ontario Associated Chambers of Commerce. The position papers that you see on the subject, I wrote. One would assume from this that I'm very supportive of it. It's very critical and it's a tool. In the north—I guess in all regions—we come to these things and we ask the government for money. There has to be some recognition that there is a finite amount of money, so we need tools that grow the economy so that we create wealth so that we could provide more taxation revenue to you ourselves and to municipalities. I see this as a mechanism that's cost-neutral, that will do that, with grow bonds north.

I recognize with tax incentive zones that in concept they are exciting and they have great merit. In application there are a number of complications. I think in implementing them you need broad consultation and a thoughtful system of governance. They have worked in other jurisdictions and of course they are working very well in the unorganized territories, where we are seeing 21% growth in northern Ontario. So I guess you can see from that that there is some effectiveness to them.

The Chair: Thank you very much for your presentation before the committee this afternoon. Mr Klees, we'll entertain your motion.

Mr Klees: Thank you. It's actually fitting that Ms Drysdale is here when I present this because, as she

indicated, she was party to a lot of our consultations. These issues that I'm going to be bringing forward relate in large part to the things that were recommended in those discussions.

I move that the committee on finance and economic affairs recognize that the tourism and hospitality industry is a cornerstone of the economy in northern Ontario;

That the committee recommend that the Minister of Finance and the Minister of Tourism and Recreation acknowledge that this industry continues to face significant challenges resulting from events such as 9/11 and that thousands of jobs in northern Ontario are dependent on this industry remaining competitive and capturing its share of the tourism market;

That the committee make the following specific recommendations:

That funding for the Ontario Tourism Marketing Partnership, and specifically the allocations made by the former government to establish the Northern Ontario Tourism Marketing Partnership office—in Sault Ste Marie—be maintained—at the very least—at its current level;

That the Minister of Finance and the Minister of Tourism work with the tourism industry and the financial services sector to develop an access-to-capital program for owners/operators of tourism-related businesses;

That a designated tourism marketing matching-funds program be established in support of a voluntary hotel/motel room levy, which is being established by the hospitality industry in some regions of the province.

The Chair: Comment? You have two minutes.

Mr Klees: I'm pleased to present this motion to this committee. It should be recognized, and often it is not, that the tourism industry contributes some \$7 billion to Ontario's GDP; that more than half a million people in this province are employed in the tourism industry; that we have some \$2.4 billion in provincial tax revenue that's generated through the tourism industry. For that reason, and particularly in northern Ontario, there is tremendous opportunity in expanding the economic base of this industry, but it can't be done without the appropriate marketing initiatives. They cost money.

So there is an important role for government to play here. We have an existing program, the Ontario Tourism Marketing Partnership program. Every dollar that is dedicated through that program goes to marketing. It's a highly competitive industry, and by supporting that initiative, particularly here in northern Ontario, we will do much to shore up an existing industry, preserve jobs and in fact create opportunity for job creation here in northern Ontario.

I do trust that I'll have the support of all members of this committee for this motion. Thank you.

Mr Oraziotti: I don't seem to have a copy of the motion. Are they available from the opposition members?

The Chair: I can read the motion into the record again for you.

Mr Klees has moved:

“That the committee on finance and economic affairs recognize that the tourism and hospitality industry is a cornerstone of the economy in northern Ontario;

“That the committee recommend that the Minister of Finance and the Minister of Tourism and Recreation acknowledge that this industry continues to face significant challenges resulting from events such as 9/11 and that thousands of jobs in northern Ontario are dependent on this industry remaining competitive and capturing its share of the tourism market;

“That the committee make the following specific recommendations:

“That funding for the Ontario Tourism Marketing Partnership, and specifically the allocations made by the former government to establish the Northern Ontario Tourism Marketing Partnership office, be maintained—at the very least—at its current level;

“That the Minister of Finance and the Minister of Tourism work with the tourism industry and the financial services industry to develop an access-to-capital program for owners/operators of tourism-related businesses;

“That a designated tourism marketing matching-funds program be established in support of a voluntary hotel/motel room levy, which is being established by the hospitality industry in some regions of the province.”

Comment? This will be postponed until report writing on March 10.

The Chair: Is the Thunder Bay Medical Society present? No.

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THUNDER BAY COALITION AGAINST POVERTY

The Chair: I call on the Thunder Bay Coalition Against Poverty. Good afternoon. You have 20 minutes for your presentation. You may allow for questions within that 20 minutes if you so desire. I would ask you to state your names for the purposes of our recording Hansard. You may begin.

Ms Christine Mather: Hello, everybody, and welcome to Thunder Bay. Like Mr Hampton, I also have been around for eight years, and it has been a very long eight years to be involved in politics in this province. My name is Chris Mather, and I'm the executive director for the Thunder Bay Coalition Against Poverty and for the Lakehead Coalition Food Bank. On my right here is Valerie Swann, who is one of our store developers. On my left is Meaghan Jackson, who is our social work student on placement from Lakehead University. Next to her is Kate Edwards, another store developer. I'm going to ask Meaghan to start our presentation today.

Ms Meaghan Jackson: Good afternoon, everyone. I'd like to begin by thanking you on behalf of the Thunder Bay Coalition Against Poverty for this opportunity to present. My name is Meaghan Jackson, as Chris said, and I'm a social work student on placement at the Thunder Bay Coalition Against Poverty and the Lakehead Coalition Food Bank.

The coalition has been in existence for approximately nine years and developed as a result of increasing concern for the well-being of low-income individuals and families during a period of immense economic hardship. Known locally as T-CAP, we are an incorporated body headed by a voluntary board of directors consisting of eight members. The majority of our members are individuals with low incomes and we are thus able to reflect accurately and comprehensively on the struggles associated with poverty. Members include people on social assistance, people with disabilities, aboriginals, students, part-time employees and the elderly.

The goals of T-CAP include: to undertake non-partisan political activity to assist in the communication of concerns of low-income people to all levels of government; to provide public education about the reality of poverty; and to engage in co-operative projects with low-income people designed to ameliorate their life circumstances.

As a member of the National Food Sharing System, the Lakehead Coalition Food Bank serves over 22 local food banks in the district of Thunder Bay. Recent hunger counts have indicated that approximately 5,300 food hampers are being accessed per month. At our food bank alone, food is provided to over 1,500 people. Please do not forget that 40% of that 1,500 are children.

A previously undertaken and extremely well-received project called Voices! was successful in increasing voter turnout in Thunder Bay. By increasing awareness of the large number of people living on low incomes and the resulting need for a good voter turnout, T-CAP undertook to assist in the relaying of significant political information. This project not only served to empower many people, but also by its own virtue permitted a more accurate reflection of the desired electoral representation in the area. Successful projects such as this provide evidence for T-CAP's proficiency and commitment. Voices! demonstrated our dedication to our goals and, specifically, the power of our influential political activity.

Currently we are very excited at T-CAP about a new project in the early implementation stages. As a response to the concerns communicated by many individuals living on low incomes and the increasing prices of clothing and household items, a new store will open that will serve as a resource to access these items at an extremely reasonable price. As a result of funding through the job creations program from Human Resources Development Canada, two new staff have been hired to facilitate this initiative.

Ms Mather: Over the last eight years, our group has received much emotional and concrete support from Liberal members of the Legislature who were then, of course, the opposition. You guys have asked us questions at hearings like this, designed to illustrate the deficiencies of the ruling party's policies. You've marched with us at demonstrations; you've presented our petitions in the Legislature; asked us for examples of how the Tory's reign of terror was impacting our members; and you have assured us that once you were in power, things would be

different. Well, now the Liberals are in power, and we hope things will be different.

Mr Colle: So do we.

Ms Mather: Thank you. So in our presentation today, we are going to be detailing just what differences we're hoping to see.

Please listen to this next paragraph carefully. It is meant very, very sincerely.

We believe that it is the responsibility of government to take care of all the needs of all its citizens. Of all the groups that make up our society, no group is in such need of your help—the government's help—as the poor. There's no need for us to go into detail about what happened over the last eight years, but we were attacked first, we were attacked most frequently and we were attacked most severely. There is a myriad of things which need to be done, but the four of us got together and we brainstormed the most important issues. For the rest of them, we'd like to refer you to technical paper number 6 published by the Canadian Centre for Policy Alternatives, and also to the Transitions document that the last Liberal provincial government prepared when they were in power. There are some excellent ideas in your Transitions document.

Concrete issue number 1: This is a pre-budget hearing, but before we talk about money, I want to talk about a non-financial issue, and that's the issue of poor-bashing by elected politicians. Over and over again, statements were made by the provincial Conservatives criticizing poor people. "Mothers on welfare spend food money on beer," for instance, and that kind of thing. Not only were these comments incorrect and unfair, they were also soul destroying to the poor. So respectfully, but clearly and vehemently, we say to you that poor-bashing is beneath the dignity of any elected official and denigrating to the dignity of the poor. So our first recommendation, which is not a fiscal recommendation, is that as elected officials you maintain your own dignity by not poor-bashing and you rebuild the dignity of the poor by challenging poor-bashing when you encounter it in others.

We're very busy at T-CAP and I forgot to put an issue into the written thing that we've handed out to you, so I have permission from my cohorts to speak extemporaneously on that, and that's the issue of money generated by gaming in the province of Ontario. The citizens of this community voted for a charitable casino. I didn't vote for a casino at all, but, you know, the will of the majority; they voted for a charitable casino. I did a little mini-poll just by calling people I know, and everybody said that when they voted for a charitable casino, they thought that meant the profits from that casino would go to help people in need in our community. That's not the case. Some of the money goes to the Trillium Foundation.

So my first recommendation about gaming money in our province is that the regulation that says only incorporated groups can receive Trillium funding be changed. Some of the groups that are most in need of money and doing a lot of very hard work are not incorporated. It doesn't apply to us. We were incorporated right from the

beginning because I knew most funders require incorporation. But if you think of a little hockey league or something like that, they're not going to be incorporated. So that's our first recommendation.

A second recommendation about gaming money is that the minuscule amount that our community receives from the massive profits of the casino is not going to charitable purposes. When I asked the mayor and council about this, they told me—so this is from them, not me—that they're not allowed to direct that money to charitable purposes, that it has to go into the general operating fund of the municipality. If that is in fact the truth and they're not just trying to shut me up, please change that so that the money has to be designated for charitable purposes.

This isn't written down, so I hope I've made myself clear. Now Val is going to continue with issue 2.

Ms Valerie Swann: Issue 2: The first financial issue we wish to raise is that of hunger, a widespread and shameful phenomenon. In 2004, in the richest province in one of the richest countries in the world, people are regularly going hungry. We would again refer you to technical paper number 6 for details. We have three recommendations to make concerning this:

(1) No level of government has a ministry, task force or official charged with the responsibility of ensuring that people have enough food. We have asked the federal Liberal members, including Paul Martin and Claudette Bradshaw, to implement such a thing. We have asked the provincial Conservatives and we have asked our last two previous and our current mayor for the same thing, all to no avail. Now we ask the provincial Liberal government. This is not some bleeding-heart, irrelevant proposal; it is a sound fiscal policy. Poor nutrition obviously costs health care dollars. Poor nutrition obviously costs education dollars. Perhaps less obviously, we believe that it also costs dollars spent in the criminal justice system.

Up till now, the task of making sure that people have enough to eat has fallen to charitable organizations. We are not doing well at meeting that task. We need your help. Therefore, we recommend that the government of Ontario do what no other level of government has had the foresight to do and assign responsibility to a cabinet post for ensuring that an Ontario citizen's right to food is met. That right, of course, is guaranteed by section 25 of the Universal Declaration of Human Rights

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(2) Social assistance payments are too low. We have attached a table to your copies of our presentation that compares the actual rates of the low-income cut-offs. It simply is not possible to make ends meet at the current levels. Therefore, we are recommending an increase to the basic allowance portion of the social assistance payments.

Further, because the price of food differs widely across the province, we are recommending that such an increase reflect the actual cost of food in a given community.

Further, we are recommending that such an increase be annually adjusted.

(3) We wish to draw your attention to the bizarre situation concerning the national child benefit supplement. This is a benefit paid by the federal government as an anti-child-poverty strategy. This strategy is negated in Ontario because every dollar that a parent on welfare receives from this program is deducted from their welfare cheques. This clawback netted the last government about \$183 million up to 2001. They used some of the money to fund the child care supplement for working families. This in itself is a worthwhile initiative, except that funding a child care program for the poorest employed parents with money taken from even poorer parents is just about as illogical a piece of social policy as you can get. We therefore recommend that the provincial Liberals stop clawing back from the poor money given to them by the federal Liberals.

Ms Mather: Issue 3: Our next issue is that of housing. When the Conservatives were elected, this community alone lost 13 subsidized housing projects, and some of them were at the building stage, all gone with just a stroke of a pen. This, combined with the misnamed Tenant Protection Act—we can only suggest that was misguided humour on the part of the Tories—and the 21.6% cut to welfare payments, has caused a housing crisis for poor people. It also contributes to hunger because a family's or an individual's food budget is the first to be raided to meet the rent. We have four recommendations for you on that issue:

(1) The shelter allowance portion of social assistance payments should be raised, and it should be raised to reflect the actual cost of housing in a given community. The increase should be annually adjusted.

(2) When a person is fortunate enough to be in subsidized housing, their rent is geared to their income levels. However, we believe that their rent should also reflect their child care expenses. Therefore, we recommend that rent calculations in public housing take into account child care costs.

(3) We're very pleased that the government has agreed to resume funding subsidized housing and we recommend that this be done quickly and thoroughly and comprehensively.

(4) The Tenant Protection Act needs to be overhauled. You can take whatever meaning you like into the word "overhauled."

Ms Swann: Issue 4: The next financial issue we wish to raise is that of employment. We have three recommendations to make:

(1) Using the Social Assistance Reform Act, the previous government made it impossible for a person on welfare to go to college or university. This is incredibly naive social policy. You do not need a degree in social work or economics to know that the best route to a good job is to acquire an education. We therefore recommend that the regulation preventing recipients from attaining higher educations be revoked.

(2) Leaving aside the immoral and unfair nature of the work-for-welfare programs, the Tories' workfare program has not been successful in helping people find good

employment. What are required are meaningful job training and job placement programs. We therefore recommend that the workfare program be discontinued and the money spent on it be redirected to the kind of program discussed in Transitions.

(3) When the workfare program was implemented, our group began to form a union for people on workfare. We signed up about 70 people. The Tories' reaction was to rush through a piece of legislation making it illegal for people on workfare to join a union.

As Canadians, we have the right to organize. We therefore recommend that the act to prevent the unionization of welfare recipients be rescinded.

Ms Mather: Issue 5: Finally, we have some concerns about the process of these pre-budget hearings. We believe it's not possible to arrive at a sound budget which would involve no cuts to services without tax increases. So you're leaving out one side of the picture. However, we decided to break the rules, and so we've got six recommendations to make in this regard:

(1) Please remember that any money paid to poor people contributes to the economy of their communities. Poor people tend not to take trips to Florida in the winter.

(2) Similarly remember that any money paid to poor people reduces expenses to other very costly services.

(3) Review the paper produced by the economist Hugh Mackenzie for the alternative Ontario budget, which puts the likely 2004-05 deficit at \$2.2 billion, not \$4.7 billion.

(4) Add two new tax brackets for people earning over \$100,000 a year. These would involve a modest 2% increase for people in the \$100,000 to \$150,000 bracket and a 3% increase for income over \$150,000. This should result in at least \$1.3 billion in new revenue for the 2004-05 fiscal year.

(5) Increase the corporate tax rate by 1.5%. That would put it at the rate of the late 1990s. This should net \$700 million for the next fiscal year.

(6) Eliminate the employer health tax exemption for the first \$400,000 in payroll for firms that have more than \$2 million in payroll.

Thank you for the opportunity to present today. We look forward to further opportunities.

The Chair: We have about two minutes per party, and we begin with the NDP.

Mr Hampton: I just read the last section of your paper. I think you've shown the government how they can raise \$2.5 billion in new revenue. Are my numbers correct?

Ms Mather: Yes. We are always part of the process that develops the Ontario alternative budget. Yes, that's what we're saying. Those are recommendations in the alternative budget too.

Mr Hampton: I want to thank you for making those recommendations, because I think it would be an absolute travesty to look at budget measures from only the perspective of what can be cut or what can be privatized.

The other question that I wanted to ask you is on the issue of the shelter allowance. Do I understand that the

cut that was made to the shelter allowance was a 21.6% cut?

Ms Mather: Yes.

Mr Hampton: Then there was essentially the crippling of rent controls through what was for some strange reason called the Tenant Protection Act. Many people think that housing is a problem only in large cities like Toronto or Ottawa. I would be interested in hearing your comments, though, with respect to Thunder Bay, having seen a 21.6% cut in the shelter allowance and then what that has meant for people in terms of paying the rent.

Ms Mather: I've been a social worker in Thunder Bay for, I guess, 22 years now. Take the example of a mother on social assistance with two kids, for instance. Until the 21.6% cut, she could make it. It wasn't a great life, but there was money for the odd treat, the odd trip to McDonald's or to a movie. She had to be careful, but she could make it. When the 21.6% cut came down, it was just devastating. I know women who lost \$300, \$400 and \$500 a month.

In my opinion, the group of poor people who suffer the most because of the 21.6% cut and the getting rid of rent controls are single people. The maximum a single person in Ontario is allowed for the whole month, for everything, is \$520. You find me a safe, warm, secure apartment for somebody whose income is \$520 a month. What we find is that homelessness has increased. Call any of the shelters in Thunder Bay; they're always full. Homelessness in Thunder Bay is not such a visible image as it is in Toronto. You see people on the subway grates and so on in Toronto, but we don't have subway grates, and you know what our weather is like up here. So homelessness, although not as visible in Thunder Bay, is very much evident.

The Chair: We'll move to the government.

Mr Colle: I want to thank you for your very informative presentation with some very good ideas. There are no rules about proposals. We've had many very thoughtful proposals like yours from people all across Ontario over the last couple of weeks. We will entertain anything that will help us provide the services that are required in Ontario.

Ms Mather: I thought Mr McGuinty had said he wasn't considering any tax increases, so I guess I got that wrong.

1520

Mr Colle: We are considering ideas on how to increase revenues, for instance. We're very open to that. We just had a presenter before you who talked about that.

What I'd like to say is that one of the things we're looking at is a comprehensive way of helping children or families in need. Just to let you know, yesterday the Minister of Children's Services announced \$60 million for the children's aid societies of Ontario, because there have been huge deficits run up by them. What we're trying to do, I hope, is not only look at doing everything all at once, but there are many facets to helping people, especially the most vulnerable, rise above the high need and the high social deficit left by the previous govern-

ment. So we're just saying to you, be as co-operative with us in terms of giving us ideas. Keep pushing us and keep giving us those ideas because we are trying. We've also given vulnerable, high-needs children some money too.

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

Mr Klees: Thank you very much for your presentation. At this committee's meeting in Windsor, I put forward a motion that proposes that the Minister of Finance give serious consideration to a market-basket formula for social assistance, specifically the shelter portion of it, because of the variances in the levels of rents across the province in various regions. I take it from this presentation that your organization would support that.

Ms Mather: I hesitate to support a motion that I haven't seen, but what I will say is, first, from what you are saying, it appears to be in line with what we're saying, which is that both the shelter allowance and the basic living allowance should be geared to what the actual costs of a family are.

Mr Klees: I just want to follow up on your—clearly you're making a recommendation here that personal income taxes be increased for high-income earners. Do you expect the Liberal Party, with whom you've been so closely aligned over the last few years, to take that recommendation to heart and to implement it?

Ms Mather: That's a bit of a loaded question to ask an anti-poverty activist, sitting with all these powerful people.

Mr Klees: It's a pretty straightforward question. They deserve to hear—

Ms Mather: Party politics are still party politics. What I would say is that I hope the Liberal members took to heart the paragraph where I said, "I really need you guys to listen to this." We really need their help. I hope they would look at the alternative Ontario budget, which is full of creative ways to make our taxation system fairer.

The Chair: Thank you for your presentation this afternoon.

THUNDER BAY AND DISTRICT LABOUR COUNCIL

The Chair: I call on the Thunder Bay and District Labour Council. Good afternoon. You have 20 minutes for your presentation. You may allow for questions within that 20-minute period. I'd ask you to please state your name for the purposes of Hansard.

Mr Paul Pugh: My name is Paul Pugh. I am president of CAW local 1075 and a member of the labour council. With me is Katha Fortier, who is vice-president of local 229, CAW, and also a delegate to the labour council. We're going to be doing our presentation jointly. I'll be presenting on the general topic and Katha will be speaking more specifically on health care.

"Servants, labourers and workmen of different kinds make up the far greater part of every great political society.... What improves the circumstances of the

greater part can never be regarded as an inconvenience to the whole.” The quote is from Adam Smith’s *Wealth of Nations*.

We thank the standing committee on finance and economic affairs for this opportunity to express our views. The Thunder Bay and District Labour Council represents some 9,000 affiliated members in 45 local unions. Members of these unions work in the private and public sectors. CAW Local 1075 represents approximately 650 employees of the Bombardier Thunder Bay plant, producing mass transit vehicles.

The defeat of the Conservative government was the cause of rejoicing by working people in the Thunder Bay region. The eight years of Conservative rule were the worst most of us have ever experienced. Our families, neighbours and community suffered cuts to education, health care, public transit and every aspect of public services. Short-sighted, ideologically driven privatization campaigns undermined our safety in critical areas such as water quality, hydro, health care and other areas. Our rights as workers were assaulted by viciously anti-labour legislation in employment standards, workers’ compensation and labour relations. During the grim years of Conservative rule, workers in Thunder Bay joined with working people throughout Ontario in actively protesting by every means possible and campaigning for the defeat of the government.

Workers in Thunder Bay voted for change. The people of Ontario voted overwhelmingly for change. Change means an end to discredited Conservative policies. Change means restoration and strengthening of public services; an end to privatization schemes. Change means respect for working people and the environment.

We understand the new government is faced with a large deficit inherited from the Conservative regime. The existence and size of this deficit should come as no surprise, as comparable results have obtained in other jurisdictions pursuing similar policies of irresponsible tax cuts. That said, the people of Ontario expect elected representatives to carry out their duties in a fiscally responsible manner. The deficit must be dealt with; it cannot be wished away.

The large deficit inevitably means the new government will not be able to keep all its election pledges. It must either continue the Conservative agenda of cuts to public services or it will have to reverse some or all of the Conservative tax cuts. There can be little doubt which course Ontario voters want. The people of Ontario voted for change. As stated earlier, change means restoring public services. Such programs have costs, and new revenue generation measures will be required.

The Ontario alternative budget, released by the Canadian Centre for Policy Alternatives, lists a number of revenue-generating proposals which merit consideration. A careful study of these proposals shows that small increases in income tax and reversal of the Conservative corporate tax cuts can generate the required funds. Such proposals are sometimes dismissed as radical or leftist. In fact, it was the Conservative agenda of tax cuts and

public service cuts that was truly radical and which the electorate overwhelmingly rejected. Restoring public services and the taxation required to maintain them are hardly leftist; they are a return to genuine commonsense policies in existence prior to the Harris-Eves government. Such policies were carried out, with variations, by governments of all three major parties.

Let us be clear: government regulations and services are required to shield the public from unbridled market forces. To give a current example, former Ministry of Transportation highway snowplowing services contracted out by the Conservatives to the private sector are now threatened by skyrocketing insurance premiums. Residents of northwestern Ontario simply can’t afford radical privatization experiments that threaten our road safety. It’s time to restore common sense.

The notion that our health, education, transportation and many other essential services can be entrusted to the market is not only radical, it requires us, in a leap of faith, to put our fates in the hands of those who gave us Nortel, Enron and the dot-com new economy. Such people have shown themselves to be unreliable and unaccountable. In fact, their track record has been consistent for a very long time. In his classic study, when writing of merchants and manufacturers, Adam Smith cautioned against “an order of men, whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public and who accordingly have, upon many occasions, both deceived and oppressed it.”

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The Thunder Bay and District Labour Council asks that you keep faith with the Ontario electorate by restoring public services and undertake the revenue generation required. The people of Ontario did not vote for a continuation of Conservative policies.

Ms Katha Fortier: Thanks, Paul. Again, we welcome the opportunity to attend before what we hope will be an open and full debate about the future direction of our provincial economy and public services in Ontario.

CAW local 229 is the largest of the 44 affiliated unions to the Thunder Bay and District Labour Council, representing 2,300 members, 2,000 of whom are employed in health care and health-care-related fields. They work in hospitals, nursing homes, homes for the aged, ambulance services, medical and rehabilitative clinics, home care and community care agencies for personal support services. With this extensive overview, we receive an accurate and realistic picture of the strengths and weaknesses of our health care system in northwestern Ontario directly from the front lines.

Our submission today is based on the fact that the people of Ontario voted for change. They have sent a clear message that they truly value public services, and in fact 42% believed health care was the most important priority in the last election. This government has been given a clear mandate to invest in social programs such as health care and education.

I put to the committee that the people of Ontario are prepared to pay for the rebuilding of their valued social

services. An Ekos 2003 poll found that 68% of the respondents, when asked, if they were Premier and had to decide to allocate the provincial budget, chose investments in social programs such as health and education. Only 17% chose reducing the provincial debt and 13% chose further tax cuts.

We urge this government to consider ideas for revenue recovery that will put back at least some of the \$14 billion in annual revenue that has been lost in recent years. If there has been one promise that this government should break, it is the one to freeze taxes. Modest improvements to public services will require modest tax increases, particularly when you factor in unpredictable events such as the SARS crisis. Tax cuts that disproportionately benefited higher income taxpayers must be reversed and the loophole that exempts the employer health tax for under \$400,000 should close. The legacy of our years of tax cuts in this province has resulted in the immediate need to rebuild our services, and the people of Ontario are prepared to once again pay their fair share.

Ontarians, despite knowing that there have been some major systemic setbacks, are overwhelmingly proud of the public health care system. When we read the studies, like the recent one by the Harvard Medical School that found health care administration and bureaucracy in the US accounted for 31% of total health spending versus 16.7% in Canada, we know we are on the right track. This study also pointed out that under a national health insurance program, the potential savings of \$286 billion could be used to offset the cost of covering the 44 million uninsured, fund retraining and job placement for displaced insurance workers and cover all out-of-pocket drug costs for seniors. That's in the United States. They could, amazingly, cover all of their costs for public health care.

In northwestern Ontario, we know that rebuilding health care is a priority. In recent months, over 7,000 people have signed postcards for a campaign for minimum staffing standards of 3.5 hours per resident per day. To my knowledge, very few of those people declined to sign when they were asked, and even fewer asked about how we would pay for it.

Home care: Frustration has risen on many levels. Accessing home care has become virtually impossible. While the community care access centre budget has been slashed and frozen, the Victorian Order of Nurses lays off nurses and other health care workers, while over 150 citizens are on a waiting list to receive homemaking and patients are now forced to travel to medical day care centres or already stressed emergency rooms to receive needed services such as dressing changes, intravenous drugs or catheterizations.

Competitive bidding in this sector has also created problems, completely eroding job security for workers, who can suddenly become unemployed if their employer loses a contract. Over 20 registered practical nurses in the Rainy River district lost their jobs when the VON lost the bid to Comcare, a for-profit operator. Health care professionals question the logic of staying in a system where this could happen at any time.

Thunder Bay Regional Hospital is regularly closed to the residents in the region, forcing them to go to other centres like Sudbury or Toronto to receive advanced care, putting additional stress in those areas. Only a portion of this problem will be resolved with the opening of 60 temporary interim-care beds, because larger systemic issues are still at play. We're looking at an average age that's increasing and the needs of our population increasing while the services remain frozen or are reduced.

It should also be noted that we soundly reject any form of P3 hospitals or privatization of MRI and CT clinics. These short-term solutions are not a fix for a long-term fiscal problem: inadequate public investment in health infrastructure.

Long-term-care residents in Ontario now receive nursing and personal care per day that is lower than in any other jurisdiction. CAW represents workers in Thunder Bay at two for-profit homes and three municipal homes for the aged. On average, we estimate they receive 2.3 hours, or two hours and 18 minutes, of care provided by health care aides, RPNs and RNs combined. This includes not only the hands-on direct care such as bathing, feeding, medicating and incontinence care, but the behind-the-scenes care such as doctors' orders, preparing medications, charting and making beds. As levels of care have dropped, the levels of care required have risen. A new not-for-profit home will open in Thunder Bay soon, and we estimate it will be staffed at 2.11 hours.

A recent series in the Toronto Star and an upcoming program on W Five are bringing deplorable conditions in nursing homes to the public eye that are the result of systemic problems; specifically, lack of minimum standards for care, lack of whistle-blower protection for staff who fear employer reprisals for reporting, and inadequate funding. Adding insult to injury, for-profit operators are receiving about \$70 million more in funding each year than not-for-profit operators. Corporate industry giants are doing better than ever. Extendicare recently reported quarterly profits of \$13.8 million, admitting in the Toronto Star that they "benefited from the governments of Ontario and Alberta's improved funding for long-term-care services." In the same article, they report purchasing a new nursing home in Wisconsin for \$5.6 million. In Ontario, they are actually given public money: \$75,000 for each bed they build. It almost sounds too good to be true: public dollars going directly into capital assets for profiteers.

Ambulance: The type of ambulance service you receive will depend directly on where you are located when you require one in the province of Ontario. If you are in a major centre or a select smaller centre, you will be treated by trained paramedics available around the clock. But if you are in, say, Marathon or Geraldton or Nipigon, trained paramedics are only there for half the day; the other 12 hours, a paramedic, using a pager for standby, will take somewhere between five and 15 minutes just to get to the ambulance base. Let's hope you're not in too big of a hurry.

Addiction services: Facilities that provide addictions treatment programs, such as the Sister Margaret Smith Centre run by the St Joseph's Care Group, are chronically underfunded. Already they operate with forced shutdown periods throughout the year, increasing the waiting times to as long as four months for both youths and adults who desperately need this service.

We've listed a number of steps we believe are key to rebuilding our health care system and which have a particular effect in northwestern Ontario.

First, continue to fund 50% of the ambulance services, but ensure that it is 50% of the real service cost, and take into consideration contractual obligations. Ensure that all services are funded to provide a 24-hour service.

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Ensure funding for minimum staffing at 3.5 hours per patient per day in long-term-care facilities. Legislate whistle-blower protection for health care workers to ensure quality of care remains the primary goal. Mandate long-term-care inspectors to speak directly to family representatives and worker representatives in unionized environments. This should be the union representatives that they speak with.

As a fiscal as well as a practical matter, ensure that there is full utilization of registered practical nurses as a cost-effective and competent provider of nursing care throughout the health care spectrum.

Provide a multi-year funding framework for transfer payments to agencies to ensure stability and predictability, and consider real costs and increases to those costs. This would not only include hospitals and long-term-care facilities, but addictions centres, public clinics and ambulance services.

Significantly increase CCAC budgets to allow for real home care that will help alleviate the crisis in hospitals and long-term care. Revenue to finance this change should not be generated by the short-term profit of selling public assets or by entering into P3 agreements that have proven to be inefficient and have a long-term price deficit.

Efficiencies such as full RPN utilization and halting the public funding of long-term-care facilities to profit-making companies, and examining the envelope system of funding in long-term care for inconsistencies such as the cost of incontinence products coming directly out of the nursing and personal care budget, could result in significant savings.

Regulate the long-term-care accommodations budget envelope to ensure that adequate resources are used for environmental services. This envelope is where operators make their profit, so we must make certain that profits don't come at the expense of a clean and comfortable home.

Stop the creeping privatization of health care, particularly in home care and long-term care, where millions of dollars end up as profits for shareholders instead of going directly to provide care for those who need it most.

Any tax increase must be reflective of incomes. The poorest Ontarians cannot be expected to pay the same as the richest.

Thank you.

The Chair: Thank you for your presentation. We have about two minutes per party. We'll begin with the government.

Mr Wilkinson: Thank you so much for coming. Many groups have come over the last two weeks, and we still have another week. It's just great that you're able to come out with a unified message, so that we hear that. That's why we're doing this exercise. It's very important, when you're stuck at Queen's Park, that you actually hear from people.

We're really on the horns of an exquisite dilemma. I want you to go back to your members and just let them know how difficult it is for us. I read in the Toronto Star during the campaign I was running in, and I remember the Premier at the time—I know the former government tells us how we have to keep our promises—Mr Eves, saying, "We will not be running a deficit." It's interesting because five weeks later, the Star tells us, not to put too fine a point on it, that we now have proof that over the last seven months the outgoing Conservative government lied about the state of the province's finances. Specifically, the Tories said repeatedly that the budget for this fiscal year was balanced, and demonstrably it was not. So we are on the horns of an exquisite dilemma.

I'm very happy that you've come here, because we have to deal with that. We've got to clean up the mess these guys left us. I think the most important thing is that you're coming here with practical, reasonable solutions to try to help us and help us focus on what the good people of Ontario want. On behalf of all of us, we appreciate the fact that you came here. It's important that, for the first time in many, many years, you've actually been listened to.

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

Mr O'Toole: Thank you very much. I would encourage a kind of mandatory reading. Hugh Mackenzie made a presentation to the committee on the opening day. I think it's worth reading. You probably have read it already. He clearly stated on the public record as an expert—I think they used the word "lied" in a quotation there—that everyone knew there was a deficit, everyone knew. Let's be true that all the 231 promises apparently come out to about \$6 billion. They really would promise anything and do nothing. That's kind of the feeling we have.

To be fair, I did listen to your presentation. You made 11 recommendations, and, in fairness, there are many in here that I paid a great deal of attention to. Have you any idea of the total cost of this package?

Ms Fortier: Sorry, I don't have the exact cost; I have heard some figures.

Mr O'Toole: Could you get back to us on that?

Ms Fortier: I could look at it.

Mr O'Toole: Thank you.

The Chair: Further comment?

Mr Hudak: I want to make sure I register notice of a motion from a previous presentation. Should I read the motion now or after the questions?

The Chair: We could deal with it after the presentations today.

Mr Hudak: Fair enough.

The Chair: We'll move to the NDP.

Mr Hampton: I too want to thank you for two excellent presentations.

I guess I want to ask you to reflect the views of your members, since you represent an awful lot of workers in Thunder Bay: You represent people on the industrial side, and you represent people on the health and social service side.

I hear the government go back and forth. One day the Premier says there will be no tax increases. The next day the Premier says they're looking at selling off the LCBO or more of the hydro system or TVOntario. The next day I hear the Premier say they're looking at "creative ways" of getting private money. To me, the creative way is something like a P3 hospital. Yet my sense is that most average people in Ontario are prepared to pay higher taxes if they know that money is going to things like health care and education, things that really matter to them. What's your sense of your workers, of the people you represent?

Mr Pugh: We're very clear, and during the election campaign it was overwhelmingly clear from our members, that we're tired of the cutbacks and we want to see a restoration of things we consider part of our birthright as residents of Ontario. If higher taxes are necessary, that will take place. Bill Mauro, who was on city council, knows that. That came out very clearly in city council politics over the last few years. People are willing to pay if they feel they're going to get something for their money. The priority is restoring our social services.

The Chair: Thank you. There was a request by one of the committee members for you to provide some statistical information. That request has already been sent to research, so there's no need for you to look for that.

Mr Klees: On a point of order, Mr Chair: I'm not sure that Hansard picked it up, but I know that Mr Wilkinson would want to withdraw a couple of unparliamentary remarks he made in the course of the previous presentation. In all seriousness, I think he'd prefer to withdraw those. I'm not sure if Hansard picked it up, but if they did, it shouldn't be on the record.

The Chair: I didn't hear the remark, and we're all honourable members.

KINNA-AWEYA LEGAL CLINIC

The Chair: You have 20 minutes for your presentation. Within that time, you may leave time for questions. I would ask you to introduce yourself for the purposes of Hansard. You may begin.

Ms Sarah Colquhoun: My name is Sally Colquhoun. I'm the coordinator of legal services at the Kinna-aweya Legal Clinic in Thunder Bay.

Our office is funded by Legal Aid Ontario to provide poverty law services to low-income residents in the district of Thunder Bay. We focus primarily on income maintenance matters and tenancy issues. We provide summary advice and ongoing assistance through case-work and appeals for people, but we also do law reform work to try to find systemic solutions for the numerous problems our clients face.

You will already have heard much of what I have to say this afternoon, and I think it's important for you to recognize that one of the reasons you are hearing it often from professional people and from agencies is that low-income people are not a vocal constituency. Social assistance recipients are embarrassed that they're on social assistance. They don't want to come to public meetings and admit that circumstances in their life have forced them to apply for welfare, because they have internalized the myths that have been expressed so often, particularly by the previous government, of the worthlessness of people on social assistance. So they don't come and speak on their own behalf, and it's incumbent on those of us who work daily with people who are struggling to survive on social assistance to come and speak to you about these issues.

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People who are struggling on a day-to-day basis to put food on the table and pay their rent don't have much energy left to be political; they're not in a position to speak publicly about the debilitating effects of trying to cope with not having enough money. So we appreciate the opportunity that's been afforded to us to come to speak on behalf of our clients and to urge the committee to recommend an increase in spending on social assistance and housing in the coming budget, in accordance with the promises the government made during the election campaign.

I think it's important to note that a couple of people have commented this afternoon, in the short time I've been here, about people in Ontario voting for change, about voting for a restoration of public services and wanting money to be spent on important things like health care and education. Social assistance often gets left out of the equation when people talk about health care and education, and I think it's for the very reason I've expressed: that people on social assistance aren't able to speak for themselves about the problems they have.

Nobody wants to be on social assistance; it's an income of last resort. For the most part, people are on social assistance because they've lost their job or because they've lost a spouse or because they're ill. In the north we certainly understand the issues of people who are working in seasonal work and can't get work in the winter. They have no option but to go on social assistance in order to feed their children.

Everybody who's on social assistance now has been pre-screened through the income screening unit, the call centre you have to call before you even get an appointment at the Ontario Works office; they've been through

an education session at the Ontario Works office; they've been through the actual appointment at the Ontario Works office; they've provided all the documentation they've been asked to provide, including birth certificates for their children and their last income tax returns. There are many, many hoops you have to jump through now to get on Ontario Works and on any kind of social assistance in Ontario. The program has been made very difficult in terms of the documentary requirements and other requirements.

There are now many people in Ontario who have no income and no assets but who are not eligible for social assistance for a number of reasons. We see people every week in our office who have no income and no assets but can't get social assistance.

Everybody who is getting social assistance needs it. They should be entitled to get enough money to provide the basic necessities of life for themselves and their families. They should get enough money to pay the average cost of rent or something slightly less, but the shelter subsidies are totally inadequate. You've seen numbers from other organizations; I know T-CAP had information in their submission with respect to the difference between what you get for a shelter subsidy and what it costs to provide shelter for your family. It's nowhere close.

A single person in Ontario gets a maximum of \$325 for shelter and \$195 for all other basic needs. The cost of a healthy diet for a 45-year-old man in the city of Thunder Bay is \$197 a month. It's simply not possible to have adequate housing and eat a healthy diet, let alone money for transportation, clothing—you're looking for work. There are lots of other expenses beside rent and food, but you can't very comfortably cover rent and food.

The reduction in rates in 1995 was devastating for low-income people, and the fallout has been enormous through all sorts of sectors: emergency shelters, food banks, children's aid societies, hospitals and health care, and correctional services. It would be much more fiscally responsible for the government to simply provide poor people with an adequate income, which would take a lot of pressure off many of these services, and in a more dignified way.

There are all sorts of information out there that you've been directed to. There are many reports talking about the devastating impact of the reduction in welfare rates on families who rely on social assistance in Ontario.

It's important to remember that we're talking about people who everyone agrees need social assistance. So all those other red-herring issues about people cheating and fraud in the system—we're talking about people who need social assistance and who have been acknowledged to be eligible. They don't get enough money. The rates have to be increased. The Liberals promised they would increase the rates and we're fully expecting them to live up to that promise because people are living in hardship.

We'd ask that social assistance rates be raised immediately to the pre-1995 levels, and that in future, rates should be set after careful analysis of the true cost of

living in the province of Ontario. I was interested in Mr Klees's remark with respect to his motion about a market-basket approach to setting social assistance rates. I've been around long enough to know that legal clinic representatives were involved in a number of project teams that were set up by the Liberal government in 1989 to help implement the Transitions report, which was a report on how to actually reform social assistance in Ontario in an effective way. Certainly a market-basket approach to setting rates was something that was recommended long ago. It's not something that the Conservatives were looking at when they were in power, so it's interesting to note that they're suggesting it now.

There should be provision made for automatic cost-of-living increases in social assistance so people don't have to wait for 10 years for an increase that's not going to be enough to stop the crisis and then come begging every year for an increase. There should be an automatic cost-of-living increase.

They should take out the time-limited changes in the variable exemptions under the support to employment program, which changes the amount of earnings that people can keep. After they've been on assistance for a period of time, they can't keep as much of their earnings, so it's detrimental to people going back to work. And of course, shelter subsidies should reflect the real cost of housing.

The number of children living in poverty has increased in Ontario in both relative and absolute terms in the last 10 years. Researchers agree that an adequate income and a healthy start in life have a long-term impact on our society in a myriad of ways. The federal government has acknowledged the importance of public investment to protect children from poverty through the national child benefit supplement. That gets clawed back from the poorest of poor children. It's a travesty and it must be stopped. The federal government gives money to poor families to help with the expenses of raising their children. If a single mother has one child and is working and making \$25,000 a year, she gets several hundred dollars a month from the federal government to help her. If she loses her job and goes on social assistance, her income is going to drop to less than \$12,000 a year and the federal government money is going to be deducted from that \$12,000. It's absolutely outrageous and it must be stopped.

The other recommendation with respect to child poverty is that the amounts paid for back-to-school allowances and winter clothing allowances on social assistance should be increased.

Housing: Homelessness is increasing across the country. Reliance on emergency shelter has increased in Ontario to a frightening extent, particularly among families with children. This has been acknowledged by the Liberal government in opposition and during the election. You've made promises about going back into social housing, building subsidized housing, taking advantage of the federal money that the previous government didn't enter into an agreement for. We encourage you to do

everything you can to ensure that there is adequate affordable housing in the province so that people are able to have housing.

We have some recommendations with respect to the issue of violence against women which relate, again, to the cuts to social assistance. It's very difficult now for women fleeing violent relationships who have to rely on social assistance, because they don't get enough money to feed their children. So women are choosing—what choice?—to stay in a violent relationship. This is backed by all the research from the Ontario Association of Interval and Transition Houses. They report that 100% of their members felt that cuts to social assistance had a severe impact on their survival of abuse.

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An increase in social assistance rates is one recommendation with respect to that issue. Another is that women's centres and shelters should receive adequate long-term funding and that legal aid funding must be adequate to ensure that women leaving violent relationships are able to obtain competent legal advice and representation.

The last point that I'd like to raise is the fact that we can talk about specific situations where people in this province have died because of the low rates of social assistance. There have been a number of inquests in the past few years that have made recommendations with respect to raising the rates of social assistance to ensure that there's adequate social housing. The Kimberly Rogers inquest is just the most recent; it's not the only one. People are literally dying because they aren't receiving enough money and they aren't receiving enough government services, and that shouldn't be happening in one of the richest provinces of a country like Canada. It simply shouldn't be happening. So we would certainly recommend that the jury recommendations from inquests such as the Gillian Hadley inquest and the Kimberly Rogers inquest be implemented fully.

We recommend an increase in social assistance rates. It has to be more than just a 2% cost-of-living increase. That simply isn't going to be enough to avert the crisis. We ask that the committee advise the government to make investment in affordable housing a priority.

On the issue that has been on many people's minds in terms of revenue as opposed to expenditures, I would certainly endorse, as a taxpayer in Ontario, that I'm perfectly happy to pay a bit more in taxes so that there are adequate social services available to people who need them. I think that is the message the Liberal government should be getting from the results of the election in October: that people want adequate social services and public services in Ontario and if the one promise to not raise taxes has to be broken to keep the other numerous promises that were made, then so be it.

The budget process is about making adjustments and reallocating to accommodate priorities—and there are lots of other ways, and you have heard lots of other ways, of increasing revenue. There are over 350,000 corporations in the province of Ontario that haven't filed

income tax returns. If they owe only \$1,000, we're talking about hundreds of millions of dollars that would be available to provide services. There are lots of things that can be done in addition to or instead of tax increases. But if tax increases are necessary, then they're necessary.

The social cost of forcing families to live in overwhelming poverty is enormous in a whole range of other sectors. We ask that this committee recommend that the government take a long-term view in their budget deliberations and ensure that resources are provided for adequate income to poor Ontarians to ensure that affordable housing is available. We ask the committee to recommend to the government that it do so. Thank you.

The Chair: Thank you for your presentation. We have about two minutes per party, and we begin with the official opposition.

Mr O'Toole: Thank you for your very passionate presentation. I do respect that. Your commitment to vulnerable people in the general sense is quite obvious. I wouldn't say I'm totally different in any way at all. I always kind of think of government spending as a complicated function, but really about 85% of it is wages and benefits. When you pump money into the budget, you've got a whole bureaucracy of activities that are all done, paper etc, and it's no different in the social assistance arena. The number of people, caseworkers and all the stuff to get the money to the people is really the problem.

Ms Colquhoun: That's true. You know what? The cheapest way to run a social assistance program, as research has shown, is just to give cheques to people. One of the huge costs—the increases in the bureaucracy have been for the unnecessary policing of things, unnecessary documentary requirements. I've had clients come into my office who have been cut off social assistance because they don't have a birth certificate for their child. They've got their baby there in their arms but they don't have the piece of paper, so they get cut off social assistance. So they scrounge up the \$25 to get a birth certificate. And a photocopy is not good enough; you have to have the actual birth certificate. This takes a number of months. The program requirements are such that the caseworker can't not cut this person off. There's much less discretion allowed to the people who are trying to do this work. I agree that there could be much less bureaucracy and expensive policing kind of efforts in social assistance, and, instead of \$266 million going to Andersen Consulting for the computer system, the money can go to the poor people. That would be great.

The Chair: We'll move to Mr Hampton of the NDP.

Mr Hampton: They've changed their name now. They no longer call themselves Andersen Consulting. They call themselves Accenture. I think the reason they changed their name is because their reputation was catching up with their former name. I look forward to seeing the Liberal government terminate that lucrative consulting agreement with Accenture. I'll be one of the first people to stand up and cheer.

What I wanted to ask you is this: You do very good work with people in the Thunder Bay area who are

having a very tough time, and if there's one thing at the top of your list that you would ask of the new government that would be a real benefit to the people you work very hard for, what would it be?

Ms Colquhoun: The increase in rates in social assistance. I have another whole list.

Mr Hampton: I know that.

Ms Colquhoun: That's certainly not the only thing on the list, but that's the most critical issue right now for anybody on social assistance. I've been doing this work for a long time. There used to be quite a measure of satisfaction in helping somebody to resolve their problem, get their birth certificate and get them back on social assistance, knowing that they'd then be OK. That's not the case now. You get somebody on social assistance; that doesn't mean that they're OK. You still know that quite likely they're going to get evicted in a couple of months, because they're going to use some of their rent money to fix the refrigerator and they won't be able to catch up because there's absolutely—you can just barely get by month to month; often you can't. There's nothing there to get caught up from an unexpected expense.

The Chair: We'll move to the government.

Mr Peterson: This is the last presentation for us for the day, and thank you for reminding me personally why I went into politics and where I can make a difference.

I compliment you as a front-line worker and the work you're doing. Someone said that a society would be measured by how it looks after its disadvantaged and poor, and obviously we're not doing a good job. Thank you for your specific recommendations today. I'll look forward to dwelling on them on the plane as we go back to Toronto.

Ms Colquhoun: Thank you, Mr Peterson. You're right; we haven't been doing a good enough job in the last 10 years in Ontario and I look forward to the job being done better in the future.

The Chair: Thank you for your presentation.

Mr O'Toole: I have a point of order.

The Chair: No, you—

Mr O'Toole: I have a point of order, please. Mr Chair, the speaker made reference to a report that was done by the Liberal government. I'm asking research or you to bring that report to the committee's attention and, furthermore, to ask what action the Liberal government took or did not take.

Ms Colquhoun: The Transitions report?

Mr O'Toole: Yes, the Transitions report.

Ms Colquhoun: Great.

The Chair: We can do that.

Mr O'Toole: Thank you for that, Chair.

The Chair: Research will do that for the committee. Mr Hudak had a motion.

Mr Hudak: I'm very pleased, in the two minutes allotted to me, to bring forward a motion based on the presentation from Fort Frances.

I move that the committee on finance and economic affairs recognize that the northern Ontario heritage fund is a vital instrument of economic development and job creation across the north; and that the committee recommend to the Minister of Finance that the current annual funding level of \$60 million be maintained or increased in the 2004-05 budget.

The Chair: Comments? You have two minutes.

Mr Hudak: Yes, I understand I have two minutes, based on the draconian motion that the Liberal government members forced through over the opposition. I'd like to note too that I was unable to comment on my colleague Mr Klees's motion because it was two minutes per table. I think Mr Klees had a very good motion. He's a former Minister of Tourism and Recreation. He dedicated a great deal of time in that portfolio and had some great ideas. I'm pleased to say on the record that I support that motion, since I could not under the rules that the Liberals have forced upon this committee.

Interjection: Shameful.

Mr Hudak: It is shameful.

With respect to this motion, I think we all know that the northern Ontario heritage fund plays a very important role in the northern Ontario economy. I was pleased to be the Minister of Northern Development and Mines when this funding was increased and maintained through the Conservative government. A lot of Liberal members from the north, a couple of whom are here on the committee today, I expect would similarly speak in favour of this motion. This funding goes towards job creation, towards culture, towards tourism.

A program that I think we should send a very strong signal to the Minister of Finance and to Premier Dalton McGuinty—even though they promised to maintain that, I'm not sure I trust them and I think we need the committee to speak very strongly that this program, this funding, should be continued.

The Chair: Comment?

Mr Oraziotti: As a northern member, I appreciate the efforts of some of the opposition members here today to suggest directions for this committee to take. There are a whole host of strategies that we need to review and implement as we move forward to help the economy in northern Ontario. We're going to do that at the appropriate time and I'm looking forward to that process during the report writing.

The Chair: This motion is postponed until report writing on March 10. This meeting is adjourned.

The committee adjourned at 1610.

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