



ISSN 1180-4386

**Legislative Assembly
of Ontario**

First Session, 38th Parliament

**Assemblée législative
de l'Ontario**

Première session, 38^e législature

**Official Report
of Debates
(Hansard)**

Monday 10 January 2005

**Journal
des débats
(Hansard)**

Lundi 10 janvier 2005

**Standing committee on
finance and economic affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
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Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



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

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Monday 10 January 2005

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Lundi 10 janvier 2005

The committee met at 0907 in the Water Tower Inn, Sault Ste Marie.

ELECTION OF VICE-CHAIR

The Chair (Mr Pat Hoy): The standing committee on finance and economic affairs will please come to order. We have our first presentation at about 9:15. We have time for some organizational matters, and I understand there is something before us.

Mr John Wilkinson (Perth-Middlesex): For the benefit of the committee, I submit my resignation as Vice-Chair of the committee. That will be the first item.

The Chair: We've accepted your resignation. Therefore, the committee currently does not have a Vice-Chair.

Mr Wilkinson: Then I would nominate Mr McNeely to be the Vice-Chair of the committee.

The Chair: Mr McNeely has been nominated. Further nominations?

Mr John O'Toole (Durham): I nominate Toby Barrett.

Mr Toby Barrett (Haldimand-Norfolk-Brant): I wish to thank my nominator, but I decline.

The Chair: Mr Barrett has declined.

All in favour of the nomination of Mr McNeely? Carried. Congratulations.

The Chair: Are there any other matters for the committee prior to beginning our presentations?

Mr Wilkinson: I would ask for unanimous consent that the Association of Municipalities of Ontario and the Ontario Federation of Agriculture be allowed to present in Kingston.

Mr O'Toole: I would like to comment on that. I've been in touch with the Ontario Federation of Agriculture and they somehow missed the deadline, as did the chair of the Association of Municipalities of Ontario, Roger Anderson, chair of Durham region. I was in touch with him over Christmas. He was unaware that he wasn't on the list. I had seen the list courtesy of the Clerk's office; very supportive.

I also want to bring up that the corn producers have been in touch with me, the region 4 people specifically. The president of region 4 was at my levee yesterday and said that they weren't on the list as well. I'd like to make sure the clerk looks into that.

The Chair: So you're adding the corn producers to the list of OFA and AMO?

Mr O'Toole: Yes.

The Chair: Is it the corn producers of Ontario or is it a local branch?

Mr O'Toole: It was region 4 that specifically spoke to me.

The Chair: So the motion would be that they are invited to Kingston if they wish to come?

Mr Wilkinson: My understanding was, Kingston or London would be convenient for either of them.

The Chair: Kingston or London. Further discussion? All in favour? Carried. Very good. We can get that out to them as soon as possible, which is why I preferred doing it this morning rather than later today.

PRE-BUDGET CONSULTATIONS

ALGOMA DISTRICT
ELEMENTARY TEACHERS

The Chair: Seeing no further organizational matters, are the Algoma District Elementary Teachers here? Would you mind beginning your presentation this morning?

Ms Gayle Manley: I don't mind at all.

The Chair: Very good; thank you. Good morning. We appreciate you coming forward a few minutes early. The committee is pleased to be in Sault Ste Marie today and to welcome all the presenters.

You have 10 minutes for your presentation, and there would be five minutes for questions if members have questions for you. I would ask you to state your name for the purposes of our recording Hansard. You may begin.

Ms Manley: My name is Gayle Manley and I'm the president of the local of the Algoma District Elementary Teachers. I've given a brief. It isn't a brief brief, though. It's fairly long. I've decided, rather than read it, which I've certainly done in the past when I presented to committees, for the sake of some time and the chance to maybe dialogue with the committee members, I'm just going to highlight parts of it as I work my way through.

The Algoma District Elementary Teachers local represents about 480 elementary teachers, and it covers—David Oraziotti would also know this as well, this having been his former bailiwick—about an area the size of Great Britain. So you already know some of the challenges that could present for our local. We really wel-

come the opportunity to be able to speak to the committee and, at the same time, we appreciate the work the present government has done in the area of education funding and educational reform since their election to office.

Education funding, in my mind, is one of the most important investments that we can make to the future of our province in the children of today. In this presentation, I would like to highlight some parts in it, and it's probably about four or five issues. The review of the funding formula, including the elementary per-pupil funding grant, special education and a need for a return to specialist teachers are some of the premises that I'm looking at.

The Algoma District School Board was formed in January 1998 and amalgamated six former boards: Chapeau, Hornepayne, Wawa, Sault Ste Marie, Michipicoten, and the North Shore board. Pre-amalgamation, the six boards had a combined budget of about \$133 million. They serviced 45 elementary schools and 12 secondary schools.

On amalgamation, of course, budgets were trimmed down, because that was really the purpose of amalgamation: to trim things down a bit. As a result, there were reductions in funding and resultant reductions in staff positions and programs. I've outlined them in the brief that I put before you.

Teacher-librarians, for example, in the elementary system were gone. It's interesting that in southern Ontario, where the school boards are much larger, teacher-librarians are still in existence, but this will be an important part that I want you to look at today.

As well, we lost at that point in time a number of programs: design and technology, guidance teachers in the schools, the enrichment program, and instrumental music.

Another result of the funding formula's premise, undercapacity—and, of course, low enrolment as well—forced the board to look at 10 schools for closure. After the result of the feasibility studies, they did close three. There's still a concern over school closures in Algoma, and you probably wouldn't get anyone who would disagree with the fact that we do need to amalgamate some schools and put some things together. However, you know yourselves from your own ridings that as soon as there's a school closure imminent you've got phone calls, because people are very nervous about this. It affects them.

I think part of the problem I have found with that is this arbitrary number that involves a certain capacity for elementary students and how much space they take up in a school. It's interesting that secondary students take up more room. I don't know whether that's because they're physically bigger or what it is, but there's a different formula there.

The requirement regarding capacity forces school boards to close. Small communities often bus children to larger communities and larger schools. We've seen that in the past in Algoma. Elliot Lake was an area that had to

close one school—quite a bit of concern and anxiety with parents and children—forcing a lot of changeover. There was one school north of the Soo that was predominantly a native school, and they were moved down to a school of 250. There were, I felt at the time, a definite culture shock and a lot of difficulties there.

0920

It's interesting that for small schools you have made some efforts lately, with the rural school funding, to address the needs of the rural schools by providing principals and secretaries and trying to keep some of them open. Of course, the moratorium from the minister is still on. We believe that small schools are very good for students and also for communities. I've pointed out here in the paper that research supports that there are positive effects of small schools and advantages for school achievement in having small schools, especially for students who are poor.

At present, the Algoma board is looking at solving low capacity in the high schools, and probably in the elementary schools as well, by bringing grades 7 and 8 into that environment—in other words, putting them in a high school, a solution that doesn't necessarily, in my mind, address the needs of our early adolescent students. It's our belief that elementary schools are the best environment for young students. Elementary schools are smaller and safer, where young adolescents are encouraged to be leaders and role models for the young children in the school community. Having 11- and 12-year-olds in with 17- and 18-year-olds is just, in my mind, not socially, emotionally or psychologically sound education theory.

All this is driven because of capacity. That's why I would ask that the ministry and the government take a look at the funding formula in reviewing the capacity model. The funding formula disadvantages small schools and rural schools. For those of you who have ridings with small schools in them, you will know that. The number of students required for funding principals, vice-principals, secretaries and teacher-librarians has been set for the urban reality, in my mind, and not for rural and northern boards. The funding formula needs to be reviewed. I've said one size doesn't fit all; it doesn't. That's already been recognized to some extent by the present government because we have had changes to rural funding in order to address the issue of principals and secretaries.

I'd like to address something quite important about the age of literacy, a drive that we've always felt as teachers, but there's a specific drive right now for literacy and achievement. No elementary school in Algoma has enough students to fund a full-time librarian; 769 are needed. So there's not one school in Algoma that has a teacher-librarian. For a while there, we didn't have anything. After they were taken away, we put in teacher-technicians. But nothing can replace a teacher-librarian, who can bring that great picture book to primary students in the schools, who can help junior and intermediate teachers research, even purchasing new books—

The Chair: I want to remind you that you have about a minute left in your presentation.

Ms Manley: So 10 minutes is going pretty fast, in my mind. “Is there anyone after me?” said she, coyly. Would you like me to just sum up and look at my recommendations? I’m interested as well in looking at—I can do the whole presentation and not have questions too, for that matter, if you want. Whatever you seek, Chair.

The Chair: At the end of 10 minutes there would be questions allowed from the committee. So you have about a minute left.

Ms Manley: OK. I’m going to take more than a minute just to finish off, because I know what happens. You’ll have a pile of reports when you’re finished and it’ll be hard to get back to the very first one when you get back to reading it.

I’m looking at how, with the decline of libraries in the boards, and particularly our board, they are essential for the push for literacy that we have right now. What I would propose is that changing the number of students required for a teacher-librarian in a school is important. Also, funding for a teacher-librarian in every school will definitely put literacy back on the map in more ways that will have far-reaching effects for us.

I also want you to notice, and I’m sure you’ll hear it again from elementary teachers all across the presentations when they make them, that there is a definite gap between elementary funding and secondary funding. There is an \$800 difference in what elementary students receive in funding from the government; it’s \$800 less than a secondary student. We really believe that our students deserve the same resources that secondary students do.

I will leave the special education piece that I have in there. We still have some issues with the needs of our special education students, especially in our area here. We have no child psychologists or psychiatrists, so we’re having to buy services from southern Ontario to do that. We need that type of thing. So there need to be some changes to the funding.

The piece that I want to draw your attention to, aside from the need for teacher-librarians in our schools, is that with the push for phys ed, for example, where the minister has recognized the need for activity in the schools, we’re looking at some funding around actually having specialists teach in the system: phys-ed specialists, music specialists, art specialists. That would not only enhance the learning conditions for children but also, ultimately, the working conditions of our staff.

I’ve summarized the recommendations there in a list on the second-last page. I realize that this committee and the government cannot produce a budget that will remedy the eight years of chronic underfunding that education has had, but I know the steps are being made at present and I look forward to some future changes as well.

Thanks very much.

The Chair: Thank you. We have about three minutes for questions. It will go to the official opposition in this rotation. Are there any questions from the official opposition?

Mr O’Toole: I haven’t got any.

The Chair: Mr Prue?

Mr Michael Prue (Beaches-East York): I’ve got three minutes?

The Chair: Three minutes.

Ms Manley: That’s my fault.

Mr Prue: Probably everyone in the room agrees with what you’re saying. The difficulty, of course, for the committee, and more so for the finance minister, is, where do we get the money for this? The finance minister is on record as saying that he is going to increase spending by only \$600 million this year. That’s pretty small, and that’s for everything. Where would you suggest the money be found, additional taxes? Or what services would you think could be eliminated to accomplish what is your laudable goal?

Ms Manley: I don’t pretend that I could do the role that you have right now, nor do I have the finance backing. I’ve always been a believer, personally, in taxes that buy what we need to have in the system, but I’m sorry to say I couldn’t possibly look at where I could cut.

Mr Prue: All right. So let’s get away from the cuts. As an individual, as a learned person and a leader in your community, do you believe your community would accept additional tax increases to pay for these goals, or do you think your community is taxed out, maxed out?

Ms Manley: Every community would probably say that. I do think there is an element in education funding that could happen, and that could be that in fact there can be some taxation locally, which hasn’t been allowed in the last eight years.

Mr O’Toole: That’s wrong; they’re actually set by the province.

Ms Manley: Excuse me. I don’t wish to be heckled. I’m not in the Legislature.

Mr O’Toole: It’s important, really, to have accurate information on the record.

Mr Prue: Excuse me, Mr Chair, I—

Ms Manley: I’m just wondering if that is an element that could happen, that the city could in fact—

Mr O’Toole: I’m disappointed.

Ms Manley: I’m disappointed too. Excuse me.

Interjection: Somebody didn’t have their bran flakes this morning.

Ms Manley: I guess not. I apologize.

Mr Prue: So you think that allowing the municipalities an opportunity to raise additional funds may be one method by which the school boards can be accommodated.

Ms Manley: It’s a possibility. I know that was an area where the school boards had some leeway before, where they could tax for things they needed. It’s my understanding that that hasn’t been able to happen in the last few years.

The Chair: Thank you for your presentation, the first one of our hearings. We appreciate it.

Our next presenters are not going to be here today, and the 9:45 persons are in the building but aren’t in the room, so we’ll recess until they arrive. They’re going to be here in two or three minutes, so I would ask com-

mittee members to please stay in the room so we can begin when they come in. We'll recess until our 9:45 time slot arrives.

The committee recessed from 0927 to 0931.

SAULT AREA HOSPITAL

The Chair: The committee will resume its business. We appreciate you being able to present at this time. The presenter prior to you is not available, so we appreciate you coming early and being able to accommodate the committee.

You have 10 minutes for your presentation, and we'll allow five minutes for questioning. I would ask you to identify yourselves for the purposes of our recording Hansard. You may begin.

Mr Bill Walker: My name is Bill Walker. I'm the chair of the board of directors of the Sault Area Hospital. With me is Jerome Quenneville, and Jerome is the chief executive officer of the Sault Area Hospital.

I would like first to thank the committee for coming to Sault Ste Marie. You can tell by my accent I'm from a land a long way away, on the other side of the world, but I've been here for 30 years, so speaking as almost a Sault native, I welcome you to our city. It's not the greatest of days but thank you for coming. It's great to have a committee of your stature here. We're not treated to that sort of thing very often and we appreciate it.

Our objective today is to try to persuade you to strike a budget that does three things: first, that recognizes the unique challenges faced by northern Ontario health care providers; second, that ensures that adequate capital is set aside for urgent infrastructure needs, such as the replacement of aging hospital facilities; and, finally, that invests in information technology that helps northern Ontario hospitals and health care professionals to work better together.

We're going to just elaborate for a few minutes on each of those. I'm going to talk about the first, which is the northern realities, the unique realities we face. Then I'm going to ask Jerome to lead you through the second two of those, the issues of infrastructure and information technology.

It has been said many times, and I've certainly concluded from living in the north for a long time, that indeed health care in northern Ontario does differ from health care in other parts of the province. We've all heard stories about the difficulties that some northern Ontario residents have in accessing health care: long winter drives across northern highways—and this is a great day to demonstrate that reality to you—severe shortages of medical professionals—and we certainly have that in this community; we struggle with it on a day-to-day basis in maintaining the bare minimums of coverage to assure an adequate level of service—the aging facilities and the strained community-based programs, which have all contributed to a unique set of challenges for northern Ontario health care providers and for government policy-makers.

No doubt, most northerners would tell you that universal health care is a little less universal for them as they perceive it, and the reason for these challenges is not totally but in part financial. While many Ontario hospitals are predicting budget deficits, northern Ontario, or region 1 of the hospitals in Ontario, is the only region that is projecting a year-end net deficit. Eighty per cent, or 32 of the 40 northern hospitals, are predicting a deficit for the 2004-05 fiscal year.

Northern hospitals collectively commenced the 2004-05 year with a \$23-million shortfall. By contrast, hospitals in the greater Toronto area ended the 2003-04 year with a net surplus of about \$120 million.

Compounding this and almost showing up as a sad irony of the situation is that the research that has been done on public health and on the health of the population shows that northern Ontario residents are among the least healthy in Ontario.

As a result of this, we strongly recommend to you that this government, and its northern Ontario members in particular, strike a budget that recognizes the unique challenges faced by northern Ontario health care providers.

Mr Jerome Quenneville: As Bill mentioned, I'll go on from there to talk a little bit about infrastructure. We're encouraged that the ministry has continued to support the Health Services Restructuring Commission type of initiatives. Certainly that's a strong demand on capital in the health care sector, but those types of replacements of our aging facilities are necessary to ensure quality health care in the years to come.

0940

The Sault hospital is a facility that has tried to provide some leadership over the last number of years, and as a result of that started back in the early years of partnerships being one of the first in Ontario at joining two facilities here in town, at bringing their services together and really moving things to the next stage.

A decade has gone by at this point where the public hospital and the denominational hospital started working together, and there has been a lot of progress in having gone ahead of even Health Services Restructuring Commission type of directions, since most other communities got to the point of those partnerships as a result of those types of directions. Here in Sault Ste Marie we've been working through the implementation stages of that partnership for a number of years.

Consequently, the HSRC, when they did their visits through the province, came to Sault Ste Marie almost last, and that was somewhat of a disappointment since we were probably ready first to be able to move ahead with some of the initiatives but were somewhat held back from being able to get into the implementation part of it.

Sault-area residents almost seemed to be penalized for having gone ahead and provided some of that leadership. But when we look at the situation we're in currently, we're continuing to be impacted somewhat uniquely in Ontario. When we look at the way our partnership has come together, funding formulas such as looking at

isolation adjustments have meant that partnerships have really drawn us out of funding formulas that otherwise, as divided organizations, we might have been able to qualify for. Those are unfortunate consequences that really mean big dollars in our funding envelopes that really don't come through.

The Chair: A reminder: You have about two minutes left for your presentation.

Mr Quenneville: OK, thank you.

As part of our balanced budget plan initiatives, part of what we've been working toward is bringing forward a lot of the initiatives or steps toward getting into our new hospital facility in Sault Ste Marie. In doing so, what we've done is develop a culture of getting ready for that new facility and, more importantly, really bringing forward the initiative of our regional cancer centre as far as bringing in a bunker here more locally. By doing that, we need to have the capital dollars to get up and going for that new facility in order to bring that service closer to the residents here, because there is a significant barrier of geography, as Bill pointed out earlier.

Information technology is another facilitator to be able to work more effectively in the north. Bridging the gap of geography by networking our providers together is a key element to being able to get some success. There are numerous examples where there is success for electronic health records across various areas of the country and the province, and we see the north as being prime to be able to develop those partnerships in the near future.

More currently, the Sault Area Hospital and a number of regional partners in the north are looking at putting together PACS initiatives and electronic health record initiatives that would really help to put a web of providers together so that we can more effectively connect those providers and improve the health services.

So those investments in technology in the Soo area certainly would help to overcome some of the northern barriers, such as the shortage of medical staff and geographic remoteness and, again, the health status of our population.

Mr Walker: In conclusion, Mr Chairman, if I can take the last 15 seconds, we certainly deeply appreciate the efforts you have made to come to Sault Ste Marie to hold this consultation. We appreciate the opportunity so that you may hear our concerns first-hand. We're happy to respond to any questions that the committee may have.

The Chair: Thank you for your presentation. We have about four minutes for questions, and we'll begin with the government. I remind you that we would go in rotation, but in the last case. What I'll do is move to each party as presenters come forward. So the questions will begin with the government.

Mr David Oraziotti (Sault Ste Marie): Thank you for being here today and taking the time. Could you elaborate a little bit more on the importance of the new hospital moving forward in Sault Ste Marie and the co-operation with the officials at Sault Area Hospital to date?

Mr Quenneville: We've taken a number of steps in reconfiguring our building plans in order to work within

ministry guidelines. Certainly the aging facilities we have right now are not a long-term solution by any means. We're struggling right now with facilities that are 50 or 60 years old, if not more, and really need to have the next step brought forward fairly soon. Physicians won't come to Sault Ste Marie and provide the kind of health care services we need if we can't provide them with an environment in which to work effectively.

Mr Oraziotti: Can you elaborate perhaps a little more on the physician shortage issue? We've had numerous meetings here with our local physician groups. As an example, in terms of being able to have routine surgical procedures completed in Sault Ste Marie, the number of anaesthetists is very important to this community. My understanding is that we have two: One is 62 years old, and one is 70 years old at this point. Sudbury, 300 kilometres away, has 20-plus anaesthetists. What do you believe the new facility will do to enhance the ability of the community to attract physicians to the region and to Sault Ste Marie?

Mr Quenneville: It's an essential element of being able to attract physicians and retain them. The other part is retaining the physicians we do have. Right now, we're very blessed with having a number of facilities well supported by great professionals, but there's a lot of demand out there to go elsewhere. Without the appropriate anaesthetic coverage, without radiologists—we have no resident radiologists here in town and are provided with 100% of service by locums or visiting radiologists to the area. So we do in fact need the technology and the investments to be able to fill those gaps.

Mr Oraziotti: One last question, Mr Chair. With respect to the importance of the radiation bunker here, we offer some levels of cancer treatment. Dr Walde, here in the community, does a tremendous job providing those services. I think it's important for the committee to understand that whereas in the GTA you have 30-plus hospitals or so within a 100-kilometre radius, our closest hospital is a three-hour-plus drive away, over 300 kilometres, especially if you live north of Sault Ste Marie, travelling in weather like this in January or February to a place like Sudbury to get treatment if you have cancer and need to be treated for that, and how important it is for us to have a radiation bunker in the new hospital.

Do you want to elaborate at all on that service, the number of patients who would travel for that kind of treatment and the difficulty in accessing that care?

Mr Quenneville: In December, I met with a family in tears, basically talking about their experience of having to go to Sudbury with a sick loved one trying to get radiation therapy: being held up in airports for a day because the plane couldn't get off the ground because of snow conditions and such, and having to transport frail individuals back and forth to motels and paying the additional costs. That's the human issue we have right now. Quite honestly, from what I understand, many can't afford or can't free up the resources to be able to get the service. That is the unfortunate situation of reality we

have right now. People aren't being served as well as they should be in Sault Ste Marie.

We do have a solution, working very closely with Sudbury and providing the service locally and being hooked up by technology to help support those individuals so they can receive treatment here in the community without that travel.

The Chair: Thank you for presenting somewhat earlier this morning. I appreciate your being here. It's good to see you again.

Our next presenter has not arrived, so we will recess until 10 o'clock.

The committee recessed from 0948 to 1005.

CITY OF SAULT STE MARIE

The Chair: The committee will now resume our presentations this morning. We have the mayor of the city of Sault Ste Marie with us. Welcome. You have 10 minutes for your presentation. That will allow five minutes for questions should the committee care to ask you. You may begin. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr John Rowswell: Good morning, everyone. I'm Mayor John Rowswell. I have with me today our treasurer, Bill Freiburger; Scott McClelland, manager of audits and—new title change; I've got it here. Anyway, I also have with me Kim Rose, my executive assistant.

1010

I'm probably going to give you one of the most provocative presentations. I only have 10 minutes, so I have to be short and brief. The one point I'd like to make, which is truly a northern Ontario point, is that at the Winter Cities Conference in 2002, which was hosted in this community, studies showed that a northern Ontario community is more efficient than Toronto. When you add in the transportation of people to and from work, energy-wise a northern community wins. This means that we could pick up a raw product in Toronto, ship it here, manufacture it and ship it back for less energy. In the world today, that's something that needs to be considered. That was one of the conclusions that came out of that conference.

The irony of the whole thing is that the raw products are already here in northern Ontario. Therefore, value-added manufacturing must be encouraged, and that's part of our strategy for the city of Sault Ste Marie. In order to make this work, good highways are needed in northern Ontario.

My colleagues across the north—my fellow mayors—really came together as a group, not just the northern Ontario large urban mayors but all of us, because we have a common problem. We're all losing assessment, our vacancy rates are going up—we're having a little success bringing them down right now, but predominantly they're up—and we have our youth heading south.

Economic development in the north is substantially different than in southern Ontario. People in southern Ontario go around trying to find the best deal. We have

to go out and find it, bring them up, court them and do it very aggressively, and this costs dollars. Then it becomes a trade-off: What do we sacrifice to get a little economic development? We have to deal with all of this, and I can tell you, the margins at budget time are extremely, extremely tight.

Any decline in the community reinvestment fund in any way, even a million or two, could set us back years. Ours is around \$20 million. If you take a little bit back in any way, shape or form—claw it back—it just puts us right back to the point where we might not have \$600,000 to be able to go out and try to find an opportunity. We have to go and find them; we have to make them.

One point: My daughter needed an ambulance ride. I got a bill from the Ministry of Health for \$45, and I paid the bill. But the bottom line is that we in our city operate the emergency medical services for the area, and as part of it, we have to build a new building to house them, because they were dropped in our lap. Right now, they're stuffed in our fire halls all over town. That's all we've got. We have plans to retrofit a building, but in reality this is a service we should not be in, considering that the Ministry of Health is still getting the money.

On this note, I think we're paying the bigger half for health care. The Ministry of Health needs to take back EMS entirely. It's just not what we should be doing in the north. You're going to hear this from everybody else. You're probably going to hear it all around the province. The Ministry of Health is getting paid for it; they supply the service.

Those are all the simple ones.

Based on all I've seen as mayor—and I've been mayor for four years now—I'm convinced that we have two levels of universal health care in the province. There's one for southern Ontario and there's another one for northern Ontario. Most of the doctor shortage is in the north. We have 88% of the Ontario land mass. Southern Ontario has just 12%. Most of the doctor shortage is up here. Our distance to services offered, compared to southern Ontario, makes the challenge of getting these medical services difficult. If you don't have it in your community, you might be able to drive for half an hour or an hour. They send you over and you've got it. Well, the nearest one we have to go to is three to four hours, in Sudbury.

We have cancer patients who have just gone through chemotherapy who now need to go to get radiation treatment. Our Elks club drives them to Sudbury, and they have a van going, I think, every other day. They go down and pick them up. They stay there. They come back. You're talking about an individual who has just survived chemotherapy, who now has to go into the radiation treatment, and they've got to endure that. I'm trying to remember the mother of a friend of mine. She looked about 75; she didn't look too strong as she got into that van. That's what we have to endure.

If there's an emergency—the other horror story is that the air ambulance picked them up. The family flew with them. They had to go to Timmins because that's where

they were going to get the treatment, and then the ministry told them they weren't going to fly them back. So the poor individual actually had to find his own way back all the way from Timmins. That's seven hours; he could have gone to Toronto for that.

Our new hospital needs a cancer bunker. With increased rates of cancer and heart disease, we need similar levels of care as southern Ontario. A new hospital gives us better chances of attracting physicians.

You're going to hear from my colleagues about COMRIF: \$298 million over five years is just not enough. I can tell you, and some of the Conservative colleagues are here, Minister Dan Newman put out a program. He put \$88 million of NOHFC. That netted us \$88 million; COMRIF's \$300 million divided by five is \$60 million for northern Ontario and a bunch of southern Ontario communities under 100,000.

This \$88-million one-time program was put out for NOHFC and netted us \$2.5 million, which was the biggest gain we've ever got, money that we could use for anything. We used it on roads. That freed up some money for economic development. Because of that economic development there are jobs here today, quite a lot because we had a little money to play with, and it means such a big difference.

Our present road needs are around \$20 million a year. We budget about \$6 million, and more funding dollars are needed. The \$298 million over five years is totally inadequate.

Please don't take this the wrong way, but it is very apparent that the province is dragging its feet on money for the north and using the deficit as an excuse. Slowing funds down because you have less money, so you're slowing every program down across the province, hurts the north the most. Cancelling the tax incentive zones put northern Ontario back three years. We don't have the hustle and bustle of southern Ontario. It's a lot harder.

To make things worse, the Ministry of Finance, in a document which is not released yet, projects that northern Ontario will drop by 17% in population over the next 30 years. We're up here trying to do our best to grow, and we've already been written off. That's the way we feel.

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

Mr Rowswell: Thank you. There are some references to a paper that your staff can look at, and I'll have to not talk about them, but what I would like to mention is that one of those papers that was written for the Ontario government talked about giving the north the right tools. Sault Ste Marie is trying to become a multimodal hub, which will relieve congestion in southern Ontario at the borders, but we need infrastructure.

Right now that infrastructure is hoarded in southern Ontario. If we want seaway draft, we get it from southern Ontario, or Thunder Bay in that case. Intermodal rail cars, transfer mode—all in Toronto. Air cargo airports—all in Toronto or in that region. What that means is that you're hoarding it. You're bringing congestion upon yourself because you're keeping it there, whereas other

areas can benefit, especially Sault Ste Marie, and we help southern Ontario.

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The last point: Give communities in northern Ontario a fair shake and don't hold all the cards in southern Ontario, as you do with critical infrastructure. The Ministry of Northern Development and Mines needs a real budget if northern Ontario is to develop.

There was a discussion a long time ago in which we looked at equalization for provinces. I couldn't figure out why northern Ontario—all this money seemed to be going to the other, poorer provinces. I worked out the number, and it's \$280 million that could be available if northern Ontario were not part of Ontario. I'm not suggesting for a minute their separating and not joining, but I need to tell you that when we see poorer provinces actually getting more money to do all those things I talked about here, that \$280 million looks very attractive.

I have an expectation that in the next budget the northern Ontario heritage fund will be boosted to \$280 million, because that's the level of support that is needed so that we don't hit the projections the Ministry of Finance has put in their document and is expecting in the future. We don't believe it, but you have to help us, and we will get there. The supporting documentation is in the package that I've given out.

I'd like to reiterate that I like being part of Ontario; I'm not suggesting that—I just want the money for northern Ontario, and that would go a long way.

I have my presentation, along with the table and the arguments about why Sault Ste Marie should become a multimodal hub and how it will benefit all of Ontario.

We don't have time, but we have another printed document put out by our treasury department. Some points are the same and some are different; we don't have enough time to present it all. We'll also give that to you today in written form.

With that, we will pass this out.

The Chair: Very good. Any other material you might have will be copied and given to every member of the committee.

Mr Rowswell: We brought enough copies.

The Chair: Very good. We have about three minutes for questions. It'll go to the official opposition.

Mr Barrett: Thank you, Mayor Rowswell. I'm intrigued by the study from the Winter Cities Conference—northern communities comparing their efficiency to a large urban area like Toronto. I know you're handing out some material. If there's any information on that, I'd be interested and it might be of interest to this standing committee.

Mr Rowswell: I am quite prepared. If I have a list of everybody, we'll get that information to you. There were two papers presented. We can get that along.

Mr Barrett: I think that would be useful. Direct it to our clerk.

We're aware of the declining population in so many northern communities. We are also aware of the fact that over the next 25 years the Golden Horseshoe area is

going to see growth of something like four million people, which has triggered the greenbelt study, which does focus on that area. I'm not sure to what extent the greenbelt work that dominates much of the government's work right now would be benefiting the Soo or Thunder Bay or other communities up here.

I will mention too, and this is perhaps one of our pet projects—I noticed a book in the lobby making reference to the Great Lakes Heritage Coast. In the big picture, that's perhaps a small issue, but I would again hope that the good work that was done over the years on the Great Lakes Heritage Coast and other signature sites, many of them located in the north, would go forward, even merely from the tourism perspective and the tremendous amount of work that so many municipalities contributed to that initiative. Thank you, Mayor. Do you have any comments on that?

Mr Rowswell: On the greenbelt, at a Winter Cities Conference held in Sault Ste Marie in 1991—this community has done well by being very much a part of this worldwide winter cities—there was the notion of a greenbelt around Toronto. The conference was on sustainable development. It was proposed 13 years ago at that conference. If you want, I can send that paper along as well. But we were trying to get growth in northern Ontario. The greenbelt should be far bigger and more far-reaching. That's the point we're trying to make.

The Great Lakes Heritage Coast initiative: All I can tell you is that I don't care what you rebrand it as, it was one of the best initiatives for ecotourism in growing this area, and it protected the North Shore of Lake Superior on our side. It absolutely must proceed. I know our MPP, David Oraziotti, has a whole rap sheet of items we talk about, and that's one of them, and he has conveyed that forward.

The Chair: Thank you very much for your presentation this morning, Mayor. If you'll just present any information you might have to the clerk, he will ensure that all committee members receive a copy of it. It would be very good if you could do that before January 20.

Mr Rowswell: We'll get it done. Do we have the clerk's card?

The Chair: He'll talk with you presently.

Mr Rowswell: All right. Thank you very much for coming to Sault Ste Marie. We very much appreciate being able to express our opinion about what's good for northern Ontario.

ALGOMA UNIVERSITY COLLEGE

The Chair: Is Algoma University College present?

Dr Celia Ross: Yes.

The Chair: You have 10 minutes for your presentation and there will be five minutes for questions. I would ask you to state your name for the purposes of our recording.

Dr Ross: I'm Dr Celia Ross, president of Algoma University. I'd like to welcome everybody to Sault Ste

Marie. Bienvenue à la commission. On est enchanté que vous soyez parmi nous.

I have a big handout. Universities are good for this. We produce lots of coloured material. In the handout there's also the presentation that I'm going to make today.

Just in case you're not familiar with us, we are an affiliate college of Laurentian University in Sudbury. We are small. We have about 35 full-time faculty and 1,200 students. If all those students were full-time, they'd be about 810 students, which makes us about—well, we're small. We're about one third the size of Sault college and about one ninth of Laurentian.

We report directly to the ministry. We were set up because the community in the 1960s lobbied for a university in Sault Ste Marie. The Sudbury lobby must have been more effective because they got the big, independent university and we got the branch college. But over the years we've become increasingly independent of Laurentian and we now report directly to the ministry. So when the government makes decisions on funding universities, you are making decisions to fund universities that are very large, like the University of Toronto, with 50,000 students, and very small, like Algoma with 1,200 students.

It's a big spectrum, and the first difficulty is that you tend to fund with formulas, and the formulas tend to fit the universities with between 3,000 and 5,000 students, maybe 8,000 students. So the big ones, the U of Ts and the Yorks, have difficulties and the very small ones, like Algoma, can have difficulties. As you hear from the Rae commission and look at the recommendations they're making, that's something to keep in mind: the wide spectrum of universities that are covered.

Our student body is fairly representative of where we are. About 75% of our students are from the Algoma district. We are increasingly drawing students from southern Ontario. When the mayor talks about out migration, we would like to offer an alternative to students from southern Ontario. Not all students want to go to the U of T and York. Not all students can stand the pressures of the very large institutions, and we'd like to bring some of them up here.

We're also specializing in indigenous students. Seventeen per cent of our student body is self-declared indigenous. That, we think, will rise over the next five to 10 years to close to 40%, and we're very proud of that. That will certainly make us a very distinctive university presence in Ontario.

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Also, it's fun to welcome international students. Some 6% of our students now are foreign students. That, for Sault Ste Marie, is a revelation. Sault Ste Marie doesn't have a lot of people of different colours, different ethnic backgrounds, and different languages and different cultures. So that's another way we're enriching our community.

Like the other northern Ontario universities, we had a very good year last year for employment, and we're

proud of that. I've given you in my PowerPoint presentation on page 4 very, very good employment figures for our graduates. Why did our community want a university? It was to help employment in the community. It is working. Because of the high level of education in Sault Ste Marie, it's fairly easy to attract certain kinds of businesses to town. We have well-educated people who do an excellent job as employees. We also have a group of entrepreneurs now who are interested in creating jobs in the north, and this is precisely what northern Ontario needs—young people, people of all ages, who want to create work in northern Ontario.

We think we're important. We know we're important to the economy. Our budget is \$8 million. We sustain with all the multipliers close to 600 jobs in the community. We believe we're important and we should be here to stay. We believe we have a future and we are building toward that future.

In my PowerPoint presentation on page 8, you can see a new building that's going up right now that will be opening in another few weeks. I hope David Oraziotti will be there to help us cut the ribbons, and anybody else who wants to see your dollars at work. You can see a very, very good example of it here in Sault Ste Marie. The Ontario government SuperBuild fund gave us \$650,000. It was for renovations. We said, "No, we want a new building." Our building is \$6.3 million, and all those dollars are secure. So that was excellent leveraging, I think; 10-fold leveraging of that SuperBuild grant. I don't think you'll find that in many other places in the province. Part of that, of course, comes from FedNor and the northern Ontario heritage fund. Both of those have been very supportive, again because of the economic role that we're playing as a university; it's recognized by the funders.

We have increasing partnerships which take us out from being an isolated little place into being part of the Ontario system of universities. We're increasingly working with community colleges, not just Sault College; Cambrian College, for instance. We have very close links with Cambrian for certain endeavours, including a campus in India. So it's really opening up beyond what's traditionally considered northern Ontario.

Within our community we have very good partnerships too. In Sault Ste Marie, you have a federal and a provincial research lab. They're big labs, especially the federal research lab. They're forestry labs. We have good partnerships with them now and the first Canada Research Chair to come to Sault Ste Marie is arriving in February from Oxford, England. She's a tier 1 Canada Research Chair. Algoma University College gets \$200,000 per year from the federal government for seven years, renewable, to support her work. She will be working in the Great Lakes Forestry Centre labs and will be anchoring Sault Ste Marie's participation in the northern Ontario biotechnology initiative. So, by having a university here, you have a really good player to benefit from the networks.

What would we like from the Ontario government? Well, on page 11, we talk about the financial need of our

students. Most of our students depend on scholarships, bursaries and OSAP. They're not as wealthy as U of T students, and when our foundation goes out to raise money we don't have so many donors to appeal to, as U of T does. We don't have a 100-year history—we're since 1972—and we don't have very wealthy alumni. So we go out to raise money and we really need programs like the OSOTF, the Ontario student opportunity trust fund. That, for us, is real dynamite, to be able to go out and say to our graduates—and for many of our graduates they are the first person in their family to go to post-secondary or to go to university—"Let's establish a donor record here, because the Ontario government will double your dollars." That's really important.

So we really have benefited from the Ontario student opportunity trust fund. We know that it's under review. Please consider the need of institutions like Algoma for that kind of support to help us roll in dollars to support the students.

On page 12, I talk about the northern grant, which your government gives to colleges and universities throughout northern Ontario. Thank you very much for this grant. It's needed. It's expensive to do business up here. It's expensive to go and recruit in Moosonee and Attawapiskat, for instance, but it's really important to do that. So thank you for the northern grant. Please continue it. The north is not the same as the south, and we need that extra bit of funding to help us.

Algoma receives an extraordinary grant. It's expensive to run a full-service university with 1,200 students. Our goal is to grow those student numbers to 2,000 or 3,000. To get there, the extraordinary grant is a real help. It allows us to give the same quality education at an undergraduate level that you find in any other university in Ontario. I think that would be my one big request when you're reviewing what the Rae commission reports.

It's really important that students get the same quality of education whether they be at Lakehead, Algoma, York or Brock. You have that in Ontario, and I think that's something to be really proud of. You don't get the same choice, of course. Students are very limited in choice in a small university like Algoma, but it's the same quality.

When you're looking at the Rae commission—for instance, if you free up tuition fees, that has a different impact when you come from an upper-middle-class Toronto family than from a native family in Attawapiskat, where the federal funds don't quite cover all the students who want to go to university any more and a native family has to start looking at OSAP—a very strange process for that person. So the impact of raising tuition fees with a liberal hand will be different in northern Ontario than in the south.

Am I coming to the end?

The Chair: You have about a minute left.

Dr Ross: Finally, on page 13, I talk about our accountability. We feel that we are very accountable. Because of our extraordinary grant, we have agreed to produce a strategic and operational plan every year, which goes to the ministry. That's available if any of you

are really curious about the nuts and bolts of Algoma. We also have a submission, of course, to the Rae commission, which is on the Rae commission Web site.

We're well placed now, we are growing and we can grow into the future as long as the tools are still given to us and are provided to us the way they have been. I think you've got something to be proud of here in Sault Ste Marie, and I think you can continue to give us generous support into the future with confidence that we'll use it well.

The Chair: We have five minutes for questioning. Mr Prue, of the NDP.

Mr Prue: Ontario is ranked 10th in terms of what we provide to students. Where do you see this going? I didn't see much in the last budget. What do you see this government doing in this budget, or what should they be doing?

Dr Ross: Overall, the Ontario university system is underfunded. You're 10th in funding to university systems in Canada, but you're also close to last in all North America. So it is desperate. Any money you can start flowing to the universities will get used to support research in a better way: to allow us to refurbish space to conduct the research; to allow us to buy chemicals so we can have a full range of biology and chemistry experiments in our undergraduate labs; to hire professors. We're in a hiring crunch in Ontario right now, where there is a race to keep professors. They're getting lured away because there's a professor shortage throughout North America, sort of like the doctor shortage. So any dollars you can flow to the university system will be well used. We are all underfunded.

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Mr Prue: It's been estimated that to bring Ontario to the national average, and that's only to the average—we are the richest province, we have the biggest per capita in the industrial heartland and all that stuff—will cost about \$860 million. Do you see that this should be a priority for this government, or are there other priorities that they seem to be embarking on more—I'm not in the government—in terms of health and elementary education?

Dr Ross: There are many priorities, but don't forget that if you want a good health system, you need doctors, you need nurses. One thing that Algoma University would really like to do is get into health care administration—badly needed—but we need seed monies to get into it. We've got plans to get into it, we know what it would take and we're going to come to the ministry and lobby for this. If you want to support your health care system, you need the educated people who are going to work in it.

Don't keep starving your universities forever. You are losing good researchers and good professors outside Ontario. You're losing opportunities when the institutions can no longer respond to research opportunities or commercialization opportunities.

As a province, if you keep underfunding the system, you will see the results, not necessarily in the immediate short term but in the medium to long term. Just as you're

seeing a shortage of doctors now, you'll start seeing it in other professions. As your labour force is shrinking, you need the universities and colleges to keep on educating your population so you will fill the jobs 10 years down the road. I think that's the crunch we're in right now. It's a bit hidden because we can keep surviving; you can run universities on a shoestring. But you're not going to get the excellent results you should be aiming for as a province.

What worries me is that you'll try to recoup quite a bit of that money through increased tuition fees. That's what worries me for the north. If you've got a family that can pay your tuition, fine. If you are working two or three part-time jobs to pay those high tuition fees while you're a university student, it's not fine any longer because you're not going to be paying enough attention to your university studies, you're not going to be learning what you should be learning. Eventually that impacts on the quality of work that is done in the province. So I'm really arguing as strongly as I can for not getting those extra funds from tuition fees.

Mr Prue: Very laudable.

Have I still got time?

The Chair: About a minute.

Mr Prue: OK. What troubles me is that in the last budget the finance minister said he intends to spend only an additional \$500 million in this budget year. He's also announced quite recently his intention to freeze taxes. Where is the government to get the money we need for post-secondary education and for small universities like Algoma? Are you saying we should cut some other program to do it, or do you believe the public will tolerate additional taxes in order to accomplish what I think we all know needs to be done?

Dr Ross: That, of course, goes to my political persuasions. I would think they should not be freezing taxes at this time with the demands from the education sector and from the health sector, which contribute to making Ontario a strong province.

We're now in a knowledge-based economy where a lot of your economic progress is going to be based on innovation. The federal government has a good innovation strategy, and that innovation strategy relies on the drivers that post-secondary education provides.

We can bring a Canada Research Chair here to Sault Ste Marie with federal dollars. Thank goodness there's a federal lab that has some surplus space for her to work, because the university here doesn't have money to buy—we don't have science labs on campus any more. We don't have the money to run science labs, so we are running our science labs through partnerships. That's the point we're at.

Thank goodness we've been encouraged to develop partnerships, because that keeps us going. But do you want your universities running that way? I don't think you really do. You will get the same message from other universities across the province, universities that can't afford to build and maintain the facilities to house equipment they may be getting with federal government

dollars, because they don't have the infrastructure, universities now opening more portables to accommodate students, class sizes for undergraduates that have spun totally, ridiculously out of control, too many undergraduates being taught by teaching assistants. All that is from the budget compressions that have been occurring.

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

SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

The Chair: I call on Sault College to come forward, please. You have 10 minutes for your presentation; there would be five minutes for questions. I would ask you to identify yourself for the purposes of Hansard.

Dr Timothy Meyer: My name is Tim Meyer. I'm the president of Sault College.

The Chair: You may begin.

Dr Meyer: Good morning. Because I have 10 minutes, I am going to try to confine my presentation to the handout that you were given.

First of all, I want to thank the committee for holding a pre-budget consultation in Sault Ste Marie. I would also like to commend our local member, David Oraziotti. He has been a strong ally and a supporter of post-secondary education in this community for a long time. I very much welcome the opportunity to speak to you about post-secondary education in our province.

I would also like to mention that Dr Ross did an excellent job in setting up the context in which I would like to make my presentation. I won't go through that, but I would like to focus it mostly on colleges.

As many of you know, in the spring 2004 budget, the Ontario government introduced many new initiatives. They included the selection of former Premier Bob Rae—whom I have had the personal pleasure of being able to speak to about this issue several times—to conduct a comprehensive review of post-secondary education. Furthermore, in his budget speech this spring, Finance Minister Sorbara described the importance of higher learning in Ontario as being “second to none.” All of us in post-secondary education look forward to Mr Rae's final report, which we hope will be submitted later this month.

Mr Rae made it very clear that he believes Ontario must start to reinvest in colleges and universities. The senior adviser to Premier McGuinty and Minister Chambers put it this way in his review discussion paper: “I think education is the bedrock of modern society. I also think our system of higher education in Ontario is in serious jeopardy. It is in jeopardy because we are on the edge of major change and the level of both public and private support is insufficient to keep Ontario as strong, competitive and socially advanced as we want to be.”

This represents a clear understanding by the government of how important post-secondary education is and represents our perspective as well. For years, Ontario has failed to provide public post-secondary education with

sufficient funding. I would submit before this panel that this is not a partisan issue. This crosses many different party ownerships.

The results are quite disturbing. I want to point out, as Dr Ross pointed out, that the research indicates that the 24 colleges of Ontario operate with a per-student grant funding that is the lowest among all Canadian provinces. I understand that the only jurisdiction in North America that has less funding than Ontario colleges is the state of Mississippi. So we are at the bottom of the heap as it relates not only to Canada but also as it relates to the United States, and there is research from ACAATO to back this up. What it means is that we've got a lot of catching up to do. Hopefully, Mr Rae's presentation will start us down that path.

I think it's important for this panel to understand that I do speak from a bit of experience, and I do have a lot of empathy with the government in its current situation based on my own experience. I was elected as president of Sault College three years ago. Two months into my tenure I was notified that—and I will quote my finance director—“We can't meet payroll in three days.” That was a wake-up call for me in getting involved with the college.

We did what we needed to do. We got our house in order, so to speak, but at great cost. It was at great cost to the community, it was at great cost to the individuals in the community, it was at great cost to the students and it was at great cost to our programming. Quite frankly, we trimmed our workforce by 20%. That means 20% of faculty, staff and administration all had to leave our college. In a community this small, we are the fifth largest employer in Sault Ste Marie, so you'll get an understanding of what the dramatic results were.

We had to make very, very tough decisions. Obviously, it was not welcomed by the community at all and it caused a lot of ripple that we are still facing. But we are solvent right now. We are getting by. We are providing programming to our students. Our number one priority during that time was to not affect programming, so we cut everything else. We cut our maintenance budget to zero. We have over \$5 million of deferred maintenance in our building.

Interestingly enough, we've had a few of the cabinet members come through our building. Coincidentally, it happened to be raining during those times and all of them who visited us, from Gerard Kennedy to David Ramsay to our own MPP, had the pleasure of being almost baptized by the leaks in our roof as we walked through our hallways.

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I just want to give you a sense of where we are and what we need to do to maintain our position. Our relative position is we're four to five times larger than Algoma University but we're a very close partner with Algoma University. That's why what Dr Ross presented fits very well with Sault College, a lot of the environment we operate in. But we need changes.

We're solvent for now, as I indicated, but by 2006-07—and by the way, I have a very excellent financial team. They're all certified accountants. I have three certified accountants who work at Sault College and we do very close projections of our financial situation and very close monitoring of the government's granting system. We know that we can operate in our current situation until about 2006-07, when we're going to hit the wall again. That is not a threat; that is just the reality that we're facing.

There's one question I'd like to leave with everyone, and it's very simple: Will Sault College receive the provincial grant funding we need for the future?

I would like to refer back to a time when we had a very vibrant Sault College, when we had campuses in Elliot Lake, Wawa and Chapleau and were very active in those communities. During a time of chronic underfunding over the last 10 years we've had to pull back from those campuses and we've had to vacate that situation. Obviously, we're leaving those communities without a post-secondary education resource. What they need they get through distance education.

In the 2004 budget, the Ontario government emphasized the importance of bringing prosperity to the north. Independent studies have shown that colleges—and we know this—are key economic drivers. Again, research identifies excellent returns on investment for students, taxpayers and the government. In fact, we are identified in the city's document called *Destiny Sault Ste Marie*, which is their diversification strategy, as one of the drivers of economic diversification.

We have many needs, but to meet my responsibilities as the president, I must emphasize that Sault College will not have a long-term future unless we receive the resources we require. Mr Rae understands that post-secondary education is necessary if Ontario is to maintain its place in the very competitive global economy. Also, demographics tell us the need for new workers will continue to escalate as baby boomers retire. We also know that new entrants will require higher skill levels and training than those they replace.

The federal government has reported that 70% of new jobs created by 2007 will require post-secondary education, but in Ontario, only half of young adults go to college and university. We're leaving half of the young talent behind with only a high school education or less. It's essential that the province's colleges receive sufficient funding to provide affordable access to all Ontarians. I'd also like to emphasize that we are in an economically competitive environment. If Ontario doesn't successfully compete, we'll all lose.

Interestingly enough, in Sault Ste Marie and Ontario we also look to ourselves and our neighbour Michigan. Just before Christmas, the Governor of Michigan announced the need for their state to increase the number of people going on to college and university. Governor Granholm's point was that Michigan needs more highly skilled people so that its businesses and industries remain economically competitive. A few days later, Alberta

Premier Ralph Klein said almost the very same thing: Alberta will also be working to increase post-secondary education participation rates. The question I ask is, will we remain competitive?

The Rae panel has received a formal submission from the Association of Colleges of Applied Arts and Technology, of which I have copies. I don't want to go into the fine detail, other than that we currently are 70% of the national average for colleges and have been that way for a long time. The intent of that association and all 24 colleges is to ask the government to move us to a situation where we are at least at the national average by 2007.

It's always important when you make financial decisions to say, "What are we comparing ourselves to?" This panel has a very difficult job of balancing all the different requests that are coming before it. One way to get a sense of how to achieve that balance is to look at what is reasonable over time and what is a comparator across our nation. I would suggest that this request before this panel is to actually meet the national average by 2007.

We receive about two thirds of the funding that universities receive and about half the funding that school boards receive on a per student basis. That has been that way for quite a long time.

Dr Ross went through a lot of the challenges that we face as a small, northern, rural college. But we are also a community leader, in that whatever support we receive from the government goes to stabilize and support the economy of this locale to a tremendous measure.

I'll leave the report here. I'll open it up for questions.

The Chair: Your timing is impeccable. I didn't give you a warning about your time because I surmised that you were going to be ending soon.

We have about four minutes left for questions. It goes to the government.

Mr Oraziotti: Thank you, Mr Meyer, for being here today. I appreciate your presentation. You and Dr Ross have obviously alluded to the shortage of funding within our post-secondary institutions and the shortage that has taken place over many years in this province. Aside from strictly looking at additional funding resources for both colleges and universities in the province of Ontario, what other suggestions can you make to the government with respect to policy or programming changes that would perhaps benefit northern Ontario colleges and universities or the province as a whole?

Dr Meyer: Again, Dr Ross touched on a few of those ideas. One of the ideas is to look at how we can share in the educational needs this province has. I'd especially refer to some of the immigrant needs that the southern colleges are facing right now. For example, George Brown College and Centennial College, both in the GTA, are facing a tremendous crush with the immigrant interest. Obviously, we have the capacity, and we also have the community.

I'd like to remind everyone here that a lot of the economy of Sault Ste Marie was built with immigrant labour.

Most notable are the Italian and Finnish groups that came over at the turn of the century that provided the development of the natural resources in this community.

We have a tremendous community wealth, if you will, and an interest in all diversity and nationality as well as the capacity to do that level of education.

Mr Oraziotti: Can I ask you a question a little more specifically with relation to the programs? Are there programs within the college sector that should be more developed at certain colleges to allow for colleges as a whole across the province to grow? In other words, if all the colleges in the province of Ontario have identical programs, do we lose some level of efficiency in terms of developing the best types of programs at specific colleges that may be more geared or more appropriately developed at specific colleges?

Dr Meyer: That's an interesting question. It gets down to program mix or product mix and specialization. That has always been a question. From a community college perspective, you need to provide a comprehensive enough programming base to provide access to the students for whatever their interests are, but obviously you have to be real about it and say, "What can we do better than anyone else?" and create the market niche to satisfy it. That's the balance we go through at the community college.

We have developed partnerships with specific industries. For example, the rail industry has come to us and identified that they are going to have a skills shortage. They have named us as their partner in developing that educational stream.

Mr Oraziotti: Just to follow up on that, should the government be looking more specifically at ensuring that colleges are focusing their energies on developing those types of programs and not encouraging the college sector to duplicate these programs once they're established? Is that a bit of a political issue inside the college sector itself? How does that get determined?

Dr Meyer: Right now, we're in a state of flux, and this is one of the issues that the colleges are facing: the real question of who does program approval and how is it regulated and where is the best decision as far as what gets funded and what doesn't. This is about a two-hour discussion, but the short answer is that the province does some of that decision-making, and some of that decision-making is done locally.

The Chair: Thank you for your presentation this morning.

Dr Meyer: Thank you very much for the opportunity.

1100

ONTARIO FINNISH RESTHOME ASSOCIATION

The Chair: I call on the Ontario Finnish Resthome Association to please come forward.

Mr O'Toole: On a point of order, Mr Chair: When there are four or five minutes, I'm wondering if we could find, with the limited presenters today, that we go two

minutes per caucus or something like that. I'd put that to the committee in the interest of equity. We're here, and we may each have a question. I think we probably have time to entertain an extra minute here and there.

The Chair: The Chair recognizes your point. I've been watching the morning's proceedings. Questions have ranged anywhere from two to four minutes.

Mr O'Toole: That's because we have two to four minutes. You fill the time.

The Chair: I'll put it to the committee. If each party has two minutes and the answer takes two minutes, we won't stay within the five minutes that we agreed on. So what I'm doing is, if questioners don't ask their time allotted, I move to the next group. We would definitely get behind if we were to exceed this, and in fairness to presenters who are waiting, I will proceed as I have been. With that in mind, the official opposition will have the next question.

Sir, good morning. You have 10 minutes for your presentation. There could be up to five minutes for questioning. I would ask you to identify yourself for the purposes of our recording Hansard. You may begin.

Mr Lewis Massad: My name is Lewis Massad, and I'm the executive director of the Ontario Finnish Resthome Association here in Sault Ste Marie. I welcome you today to Sault Ste Marie, and I thank you for giving me the time to address this committee.

The Ontario Finnish Resthome Association is a multi-level long-term-care complex. Within our complex, our association has a 134-unit seniors' independent apartment housing complex, as well as a 101-unit supportive housing project for frail elderly. The final component of our complex is a 60-bed nursing home.

I appreciate that the government has invested significant resources in terms of the development of new care standards for long-term care and has increased the funding component to support the new enhanced standards. The ministry is also currently reviewing and preparing proposed legislation to govern long-term-care homes. Such measures are long welcomed.

Today, I will not be specifically referring to nursing home operations, as I am sure, through this pre-budget consultation, reports will be prepared by various provincial associations representing nursing homes. Today, though, I would like to address the operations and economic funding of supportive housing for frail elderly within the province.

I'd like to provide some background to you as committee members with respect to supportive housing and the benefits to seniors and, as well, the health care system as a whole. Supportive housing within the health care sector is a program designed to provide homemaking, personal support and attendant services on a 24-hour basis. Homemaking and personal support and attendant services—the one single policy of the ministry is that they must be provided at no cost to the client. Supportive housing services assist the seniors to live independently, and most times they live in a cluster within a housing complex. In some facilities, such as in

our case at the Finnish Resthome, the rental component is subsidized through Canada Mortgage and Housing and/or through the local social services administration board.

Generally a landlord-tenant relationship exists for housing and as well for accommodations, food, clothing and furniture. Other services such as medication reminders, assistance with banking, grocery shopping and such are provided. Professional care, primarily for nursing care, is either obtained independently or acquired through the community care access centre.

Since these facilities and programs have been in existence in the early 1990s, it has been recognized that they are a very valuable, cost-effective means to allow seniors to remain independent as long as possible. However, the system is problematic. I believe that throughout the province there is no consistent provincial strategy with respect to the establishment of guidelines and standards of care, and especially a lack of policies with respect to the funding of such programs. There are not even any provincial guidelines, criteria or policies for eligibility, waiting lists, levels of care or staffing to be offered in supportive housing.

Accessing information through the freedom of information act has brought to light the fact that the fiscal subsidy per facility and/or client is very problematic and inequitably scattered throughout the province. There are both facility and regional inequities within the supportive housing funding system. There are approximately 105 various supportive housing programs for the frail elderly in the province. Based on economic data from 2002-03—I don't think it has changed significantly since then—the range of funding for similar facilities is somewhere between \$900 and, up to the highest, \$26,000 per client per year. The average is about \$9,000 per year.

In particular what is of concern to the Ontario Finnish Resthome Association is that currently our 101-unit supportive housing project is one of the lowest. It receives only \$1,900 per resident per year. Clearly the facts indicate there is an inequitable funding system for supportive housing facilities and their clients. To provide a comparison to nursing home operations, which is in sharp contrast to the funding mechanism, there is consistent application of funding among long-term-care nursing homes throughout the province.

Currently, the Ontario Finnish Resthome Association is seeking from the government and the Ministry of Health and Long-Term Care equitable funding to bring our facility up to at least the provincial average. I believe that one of the roadblocks our facility is facing with its inequity is that there are no provincial operating or funding strategies with respect to supportive housing. When we've asked bureaucrats, "Why the inequities?" there really isn't any explanation or known reason. How can you solve a problem when you don't know what is creating the problem to start with, in our facility's case?

I believe it is important that the ministry must ensure the system is thoroughly reviewed and that there be a consistent application of standards and funding among supportive housing. It is evident through the literature

that supportive housing does offer a very cost-effective means to allow seniors and the frail elderly to remain independent while receiving the appropriate levels of care they need. In short, supportive housing provides a logical, cost-effective alternative to the premature admission of these seniors to nursing homes and, as well, the inappropriate admission of seniors and their stay in our acute care hospitals.

In times such as now when resources are limited, I believe the Ministry of Health, as a result of these pre-budget consultations, must seriously consider supportive housing as an economic alternative in the continuum of care. Funding supportive housing programs at an average of \$9,000 per client per year is much less than funding of approximately \$28,000 per year that the ministry provides to maintain an individual in a nursing home. Even more so, the funding required to maintain supportive housing is much less than that required to maintain individuals inappropriately in our hospital acute care system.

Clearly, supportive housing programs have a role within the realm of long-term care and community-based care. Through adequate funding of supportive housing, fewer pressures in terms of inappropriate admissions will be placed on hospitals and, as well, nursing homes.

I therefore ask, through the provincial budget process, that priority status be given to adequately funding supportive housing facilities on an equitable basis. To ensure province-wide accountability, the Minister of Health must also establish provincial strategies comprehensive to the operation of supportive housing.

Thank you very much. I'll answer any questions.

1110

The Chair: We have five minutes for questioning, and we'll go to the official opposition.

Mr O'Toole: Thank you very much for your presentation—quite interesting. I don't want to belabour it; I want to find out what, in your mind, is the difference between what you're referring to as supportive housing and long-term care and other community providers. In our area—I've been doing this for 10 years and longer—I don't know of any supportive housing as you describe it here for elderly, frail elderly and medically vulnerable types of people. They are either in long-term care or in retirement homes, where they pay the whole shot. I'd like you to elaborate on that. I'll give you a bit of time. In my view, we aren't familiar with what you're speaking of.

Mr Massad: It's a small program within the community-based system of long-term care. It's approximately a \$55-million-a-year provincial initiative.

Supportive housing isn't available throughout the province, to start with. There are some regions that have it; there are some regions and local areas that do not have supportive housing. The primary difference is that they receive care and attendant services, which is just what many of these individuals require. They don't actually require admission to a nursing home per se, but they still benefit from communal living in a common setting.

Mr O'Toole: We have limited time, and I'm not trying to be rude—

Mr Massad: I know. That's fine.

Mr O'Toole: In our communities—this is what I understand from what you've said—we have community care access centres. When a person is discharged from a hospital or other health provider, there's a diagnosis of the kind of supports they need within the community to live independently, as you put it. That's how it works. What you're asking us, or in fact the government, is to find some consistency between long-term care and community care, and the programming you're providing. As I understand it, you have almost 300 units—294 units—at your facility. You're providing shelter, medical alerts and a whole bunch of other kinds of services that are in some respects not provided in our area. I'm not saying they shouldn't be, by the way. What you're asking the government to do is provide consistency, but it sounds to me like you want to be funded like long-term care.

Mr Massad: The funding should be like long-term care. However, it's in fact a much more cost-effective way to provide the service than even community care access centre care by the fact that you have individuals in a communal setting and you don't have care providers going from one house to another.

Mr O'Toole: There may be some value in that. I say that because—we have five minutes; we don't rotate here, otherwise I'd give Mr Prue a chance. What I'm trying to say is that I understand what you're saying. Providing in-community support where there are geographic challenges like there probably would be in northern Ontario—in my riding we often find care providers doing personal hygiene and that kind of support in the home are driving longer than they are actually providing the service. They're driving all the time. I've often thought there should be a different mechanism for delivery, and here maybe it's by bringing to a community, if you will, more of an institutional type of setting. Is that what you're suggesting?

Mr Massad: Exactly.

Mr O'Toole: Is it because of geography? If you're in remote areas in Ontario, you wouldn't want somebody coming in with a helicopter to give you some kind of medical support or personal care support.

Mr Massad: Sometimes it is more beneficial to a resident to be in a community setting. Sometimes it's more cost-effective from a transportation perspective. What I'm suggesting is that it is a very cost-effective means as an alternative to these expensive nursing home operations throughout the province, one of which we operate. It's a very cost-effective alternative to that. I believe the government does need to look at it as a serious alternative, establish some consistency and look at it as a provincial priority.

Mr O'Toole: I just want to put on the record, if I may, that I'm actually dealing with my mother-in-law. She is currently in a retirement home. She pays \$2,200 a month, plus phone and cable—her money, no subsidy; it's a retirement home.

She had a fall before Christmas. She's now in a rehabilitation hospital, and I'm looking into long-term

care. She can't get into long-term care because of the extreme waiting list. In long-term care, she will be paying out of her pocket \$2,000 a month. Plus, they get the government support, which you've said in your report here. Plus, the only income she'd really have will be her Canada pension or her old age security.

The Chair: Thank you for that personal touch, Mr O'Toole.

Thank you for your presentation this morning. I appreciate it.

ROD MYERS
PHYLLIS WALLS
JOHN ZAMBUSI

The Chair: I would call on the Algoma chiropractic association to come forward, please.

Good morning. You have 10 minutes for your presentation. There would be five minutes for questions if you so wish, and I would ask you to identify yourselves for the purposes of our recording Hansard. You may begin.

Dr Rod Myers: I'm Rod Myers. I'm a local chiropractor. I've practised in Sault Ste Marie for 26 years. I'm presenting a handout for the committee today on the cost-effectiveness of chiropractic care. As you all know, it has been a very contentious issue. Chiropractic was delisted with the last budget. I think that was financially a poor decision. There's overwhelming evidence of the cost-effectiveness of chiropractic care.

Within this handout, there's a very good recent article that was published in the Archives of Internal Medicine, United States. It's an American Medical Association journal. It covers a managed health care network in California, where they had 1.7 million patients. One million of the patients had medical coverage only. If they sought out a chiropractor, it would be like in Ontario: You'd have to pay for it out of your pocket. Some 700,000 had medical care plus chiropractic care. The insurance company thought that would be an add-on benefit. It would actually cost them more money in the end to have this type of care. As it turns out, at the end, there was a \$200-per-year-per-patient saving when chiropractic was included in the health care system. That's a significant saving.

There's overwhelming evidence, again, that it's not only cost-effective but it's clinically effective. It leads to significantly lower lost time from work, which is not a direct government issue but it certainly affects the economy of the province.

A Liberal report done in 1994-95 by Professor Manga, a well-respected health care economist at the University of Ottawa, showed this. He was hired by the Liberal government. He spent \$4 million showing—it was basically not to show anything; it was to see how chiropractic integrated into the health care system. He came back to the government and stated that they'd missed the boat. If they fully integrated chiropractic care into our health care system with no limits, as it is with medicine, the savings

would be in the hundreds of millions of dollars in actual costs and equal to that in lost productivity to the province.

Today I brought with me two patients: Phyllis Walls, a paediatric nurse, and John Zambusi, a local detective. They wanted to come and talk to the committee, on my coaxing, on how chiropractic is affecting their health and how the delisting is affecting their financial situation and their health care.

Ms Phyllis Walls: I have been a registered nurse for 34 years on the paediatric unit. Fifteen years ago, I was severely injured by a 16-year-old patient. At that time, because of the way it was set up through compensation, I had to go through medical physicians. For six months, I went to an orthopaedic surgeon and my own physician, went through steroid injections in my back, different things, pain medication, muscle relaxants.

After six months of not working at all, the orthopaedic surgeon asked me if I would like to see a chiropractor. I had told him on that day that I had decided that I was going to ask him to see a chiropractor anyway, because I had seen Dr Myers previously for a lower back injury. Because my back was in such a mess, it took us another six months, but within the six months, I was back to work. I've had repeated injuries since.

1120

Dr Myers: If I could just interject for one second. It was interesting that the orthopaedic surgeon she was under the care of was trained in Saskatchewan at Royal University Hospital. He had trained with a Dr Kirkaldy-Willis, a very famous spine surgeon. Dr Kirkaldy-Willis has a unique situation where his orthopaedic clinic for back pain has five chiropractors on board. We're talking about cost-effectiveness right here. He's done lots of research on chiropractic care, and he found that it improved their results and the cost-effectiveness of the care significantly at Royal University Hospital. So this orthopaedic surgeon had previous experience with using chiropractic care.

Ms Walls: Previous to it being delisted, I was hoping that it would be increased. But when it was delisted, I found it frustrating that I can go and see my medical doctor as many times as I need to see her, but she is not going to do me any good; in fact, she does not have anything to do with my back care. She leaves all my back care up to Dr Myers. When I'm in an acute phase, I see him every day of the week, but when I'm in a good phase, I see him a minimum of once a week. So at \$20 a week, that costs me \$1,000 a year.

Dr Myers: That may seem excessive, but if you saw her MRI, and you know, as a nurse—

Ms Walls: And I just had another re-evaluation—

Dr Myers: By an orthopaedic surgeon.

Ms Walls: —who agreed with what was going on. Because if I don't have the treatments, I don't work.

Dr Myers: And it is that simple. We have medical evidence. If the committee wanted, I'm sure she wouldn't mind having the report from compensation and the orthopaedic surgeon and a copy of the MRI. Without

treatment, she wouldn't work. It's that plain and simple. I've got thousands of patients like that. We're still part of a health care system, but we're not part of a socially assisted health care system. There's a disincentive for a patient to come and see me now.

Mr O'Toole: It has been privatized.

Dr Myers: Right.

Now, has it hurt me personally? It hasn't hurt my practice one bit because people can't access this care any other way. We provide a unique care that isn't offered in the medical system.

Mr John Zambusi: My name is John Zambusi. I'm a local police officer. I also suffered an injury, about 17 years ago. I had several orthopaedic surgeries done. I hit a roadblock where I was having problems with my back on a daily basis. I was unable to work. Both my orthopaedic surgeon and my family doctor suggested that I go see a chiropractor. Because of that, I've been able to maintain my employment on a regular basis. Before I started seeing a chiropractor, my only options were to stay home and take painkillers.

I don't understand budgets; I don't understand finances; I don't understand politics. What I do understand is common sense, and the bottom line on this is that there's a saving to the community, to society. If I'm able to work, my employer is happy, he's saving money; the community is happy because I'm going to work. If I can go and spend \$20, \$10, whatever it is that a chiropractor is charging for me to go get an appointment and have a treatment, and I'm able to go to work, I think that's very cheap. I think that's something that this government should take a look at: In the long term, are we spending money or are we saving money? In the short term, yes, by delisting chiropractic care, you're probably saving something, but in the long term—

Dr Myers: That's not what the studies show. The studies show it's going to cost you more money to delist it.

Interjection.

Dr Myers: You'll save \$100 million, but how much of that money are you actually saving or is going into medical care that would have been going to chiropractic care? That's what I'm saying. There's a study here that explains the cost-effectiveness. When chiropractic was combined with medical care, there was a significant savings; it was in the tens of millions of dollars for an insurance company. So it wasn't an add-on cost; there was actually a reduction in costs, because the patients in this group, when they had equal access to medical and chiropractic care—45% of them chose chiropractic care. For other neuro-musculoskeletal problems, one out of three chose chiropractic care when it was equally available, and the savings to the insurance company was over \$200 per patient.

The Chair: Thank you. You have about a minute left in your presentation, if you wish to make a further comment.

Dr Myers: No.

The Chair: OK. We have five minutes for questions, and we'll begin with Mr Prue of the NDP.

Mr Prue: My first question is a technical one. You referred to the Manga report as a Liberal report of 1993. I assume that was prepared, then, for the federal government.

Dr Myers: No, Tom Wells was the Minister of Health. I think it's called the Wells report. I think David Peterson was the Premier.

Mr Prue: Not in 1993.

Mr O'Toole: It was 1990.

Dr Myers: OK.

Mr Prue: The report was in 1990, then?

Dr Myers: Possibly. I don't know when the report was published.

Mr Prue: It says 1993, according to your—

Dr Myers: OK, thanks.

Mr O'Toole: It was commissioned by the Liberals, but it was before the election.

Dr Myers: I see. OK. I don't know the political aspects of it.

Mr Prue: All right. You've made quite a compelling case. This is a political decision—in my view, not a very smart one—that was made in the last budget. It is going to take a great about-face from this government to turn around and say, "We blundered."

Dr Myers: Well, there were 600,000 names on petitions, and that's in five months. About 1.2 million or 1.3 million people in Ontario use chiropractic care. If there was better access, I think you could probably double that and save money, and that's what Manga's report said. He knew nothing about chiropractic. He wasn't hired by chiropractors; he was hired by the Ministry of Health to look at it, unbiased. This is what the report says, and everyone says, "I don't think so. It doesn't make sense." Well, then why do a report? Now the California report is substantiating, in real life, what Professor Manga stated.

Mr Prue: OK, but to get back to the nub of the question, this is going to take quite a turnaround, because it only just happened that you've been delisted or privatized or whatever, and the budget is coming up in April. You've given an economic incentive. What kind of political incentive might you suggest? Obviously, the Conservatives have advocated for you and so has the NDP, but it's falling on deaf ears.

Dr Myers: I don't know what else we can say. The reports are done, the research is there. The community—if you look at the polls we're taking, 80% of the people of Ontario think chiropractic should be part of health care. I know the Canada Health Act doesn't include us. I look at the budget for health care, and essentially the Liberal government is paying for what they absolutely have to under the Canada Health Act. I know they're not getting federal funding for chiropractic care because we're not in the act, but that act is from 1967, I would imagine.

I don't know how you do it. You do the right thing.

Mr Prue: The argument that's been made is that other provinces never funded chiropractic care and that's why this government chose not to fund it as well.

Dr Myers: Some provinces do.

Mr Prue: Yes. Do you know which provinces continue to fund chiropractic care?

Dr Myers: Manitoba, Saskatchewan and Alberta, and British Columbia partially, I think.

Mr Wilkinson: I think British Columbia delisted it.

Dr Myers: No, I think it's covered for people under \$30,000, so there's partial coverage. But I don't keep up with politics. I'm a clinician. I'm being put in a political situation where I'm not really—

Mr Prue: You said that your private practice hasn't suffered at all. You've still got the same number of patients; they're just having to pay out of their own pockets.

Dr Myers: That's right.

Mr Prue: Are you finding that they're paying out of their own pockets, or do some people's insurance companies continue to pay this? Or is it a combination of both?

Dr Myers: It's a combination of both, and there are people I have treated all along for nothing because they don't have money and they could never afford the copayment. I saw one person already this morning whom I have to treat for free because he has no insurance and he has no money, but I'll keep doing that.

Both of these patients can verify that I have a very busy practice. It's not about money; it's about care, and it's about health care. This is about primary health care in the north. We have a significant shortage in the hospital, don't we?

Ms Walls: Yes.

Dr Myers: We have a significant shortage of primary care givers and there's a disincentive now to go to a chiropractor, who is a primary care provider.

The Chair: Thank you for your presentation this morning.

Dr Myers: Thank you for the opportunity to come and speak.

1130

GROUP HEALTH CENTRE

The Chair: I call on the Group Health Centre to come forward, please. You have 10 minutes for your presentation. There will be five minutes for questioning. I would ask you to identify yourself for the purposes of Hansard. You may begin.

Mr David Murray: My name is Dave Murray. I'm from the Group Health Centre here in Sault Ste Marie.

As I prepared my submission for today, I looked back at my previous presentations. Provincially, on the health care front, progress toward reforming the health care system has been slow. In past years, I urged the government, through this pre-budget consultation process, to support our unique and successful model of integrated health care. We did, and continue to, believe that it represents a very workable model for the future of primary, ambulatory, community-based care. This has

been a common theme throughout the many years I have sat before you.

In my past presentations, you heard about our multidisciplinary care that brings GPs, specialists, nurse practitioners and dozens of other allied providers together to deliver virtually seamless care. I've told you about how we utilize our EMR—electronic medical record—to provide the best chronic disease management programs in the country. We are the only organization to win three consecutive national best-practice awards. We've mentioned how our programs save the system money by reducing hospitalizations and other complications. Lastly, we usually talk about the long list of visitors who come to our centre.

Michael Decter, chair of the national health council, after a recent visit said, "You are doing at the Group Health Centre what others are just dreaming about." Dr Michael Rachlis, noted author, calls the GHC the "jewel in the crown of medicare." We were even fortunate to have the Prime Minister visit us in the past year.

This year I will be taking a different approach. I may be a bit of a slow learner, but eventually I realized that if my message wasn't being picked up and action being taken, then I should not spend my limited time with you trying to convince you of a course of action that history has shown is obviously quite futile. From that perspective, I'd like to talk to you about some of the big-picture issues facing our province and our health care system. Today I want to talk to you about three major issues: health care funding, local decision-making and wiring primary care.

Let's start with funding of health care—and here's where I'm going to make a lot of enemies. I do not think we should be spending more public money on health care. Let me put that another way: I think there's already enough money in health care.

As an aside, I've got two daughters who are just completing their university degrees. After having spent many thousands of dollars over the past four years, I'm not convinced that they got as good a post-secondary education today as I did some 30 years ago. Classes are much larger, resources are scarcer and out-of-pocket costs are much higher.

Of course, with a publicly funded system, when we make decisions to fund health care, other programs and services have to take a back seat. Education, roads and other services have paid the price for a publicly funded health care system that seems to grow uncontrollably. We cannot allow health care to continue to crowd out other public services and programs.

On a similar note, I think it's shameful that the richest province in Canada cannot afford to have a four-lane highway across it. The carnage and loss of life in this area—if you go basically from Parry Sound to Wawa, there are dozens and dozens of people killed on our highway every year. It's got to be one of the worst pieces of highway. I know you're probably well aware of that, but it's something we should be ashamed of in the richest province in Canada. That's not to underscore the fact that

a four-lane highway would actually add a lot of economic benefit. There's a tremendous amount of our trade that ends up going through the United States because the freeway system happens to be better down there, which could really be going across Canada.

While I'm asking that you consider not spending a larger percentage of government dollars on health care, I also believe that if you are to hold the line, you must make sure the mechanisms and tools are in place to allow the system to reorganize to survive within such funding constraints.

This leads to my second point: local decision-making. The recent proposal concerning local health integration networks is a promising step, assuming it is implemented as planned. Effective health care services rely on a variety of approaches. These must be flexible to meet the varying needs of our different areas of the province. Our area, like most of the north, has always struggled with a lack of physicians and other health care professionals. This has led to some very innovative solutions. In the north, the GPs do more than their urban brethren, often doing work that would be done by specialists if they were available.

Our organization was the first in Ontario to use nurse practitioners. We had them trained in North Carolina in 1972, over 30 years ago. We've also pioneered the use of nurse-run clinics for anti-coagulation treatment, congestive heart failure programs, injection clinics and other chronic disease management programs. These were made possible because of our ability to use funds where they made the most sense. If we truly want to see a reformed system, local communities must be given control over resources.

Certainly, if one looks at history, it would seem that centralized planning and decision-making have had little ability to control costs or reform the system. Using siloed-funding approaches to try to control costs is like squeezing a balloon full of water: the cost simply shifts somewhere else. As well, ministry-wide funding freezes are a very blunt tool, as they penalize good performers as well as poor performers.

If LHINs do, in fact, shift control and decision-making to the regional or preferably the community level, the government and ministry must ensure that the broader resource allocation decisions are made fairly. Spending on various types of services varies widely across the province. When CCACs were set up almost a decade ago, there was a 700% variation in the spending per capita on home care services. Such inequities are not acceptable to the citizens of Ontario and should not be tolerated by the ministry or the government.

If the resource allocation formula is fair, it will ensure that local communities have their fair share of resources to make the best arrangements possible for service delivery in their areas. Areas such as ours that have significant physician shortages are penalized twice. First, we do not have the services because we don't have the physicians, and second, the money that would pay for those services goes back into the provincial OHIP pot for

overserviced areas to reap even more—hardly a fair arrangement.

Finally, with local decision-making comes the need to access timely information to make the best possible decisions. As you know, we operate the largest primary care electronic medical record system in Canada, over 100,000 records. Our physicians, whether in their office, at one of our clinics, at the hospital or at one of the long-term-care facilities access the same chart: all the lab tests, diagnostics and consultations from outside of the centre are conveniently located in one place. Our GPs can electronically communicate with specialists while the patient is in their office. This saves time and money and reduces duplications and delays.

The EMR is without a doubt the most powerful tool we have available to us to improve the efficiency and effectiveness of health care, yet according to information we received from our vendor, only 6% of GPs across the country use an EMR for clinical purposes. Considerably more use it for appointment and billing purposes. So my third point is around wiring the physician's office. Some \$150 million of one-time funding was made available to Ontario through the Primary Health Care Transition Fund from the federal government in 2000. Some four years later, these funds have still not found their way to the front lines. Of the original amount, \$118 million was recently provided to the OMA to assist in trying to get EMRs in use across the province.

Although the amount sounds impressive—\$118 million—let me provide you with a brief and somewhat unscientific comparison. Each year between 6% and 10% of the population is admitted to the hospital. Roughly 80% of the population accesses health care. The 80% obviously includes that 6% to 10%. What this tells us is that 85% of the people who actually access health care services in this province do so outside of the hospital. Setting aside the fact that hospitals deal with the more intensive work, if we look at that 85% and we look at the 15% that the hospitals provide, we note from information provided by the Ontario Hospital Association that the OHA spends around \$200 million per year on information technology to deal with that 15% of the activity.

When we go over to the doctors' side of the world, the physician's office side of the world, we see that we are going to spend \$118 million once—someday, we hope—to take care of the 85% of the activity. If we were to put these two into perspective or into parity, we should be spending several hundred million dollars per year wiring primary care offices.

When you are in need of emergency care, it is the information that sits in your physician's office that is usually the most critical: the drugs you are on, recent test results, allergies, pre-existing conditions. This is the information that is needed. So my final plea is that in setting priorities, the government realize that some investments do have an excellent return in system savings, better outcomes and improved quality of care. The electronic medical record is one such investment.

To recap, my three themes today were around the fact that there probably is enough money in health care, if we

distribute it across the province fairly and allow local communities to make the decisions about how services should be delivered. Finally, such a system can only achieve sustainability and meet the needs of the public if we use information technology and the leverage it can provide to vastly improve the system.

You have a difficult task ahead of you, and I wish you the best in your deliberations. Thank you for the opportunity to speak to you.

The Chair: Thank you. We do have five minutes for questioning, and we'll begin with the government.

Mr Orzietti: Thank you for being here this morning, Mr Murray, and thank you for the presentation. Can you elaborate for the committee on the role the Group Health Centre is playing in health care in the community of Sault Ste Marie and the role it can play in integrating family health teams and similar type models into the province's health care system?

Mr Murray: The Group Health Centre, which has been around for over 40 years, provides the vast majority of primary and ambulatory care in the community. It's a fairly large organization. It's got a community board and is a not-for-profit organization. The centre itself is a partnership between that community not-for-profit and an independent medical group which represents the 60 or so physicians who work at the Group Health Centre, and together we provide a very wide range of allied health services to this community. Because of the infrastructure that the community not-for-profit provides, like an EMR, very sophisticated information technology, great facilities and good equipment, we can provide very well-coordinated and seamless care.

Mr Orzietti: How well do you think the Ministry of Health officials really understand and comprehend the Group Health Centre operations, the history of it, why it works so well, why it has been such a successful model in terms of actually reducing costs and being effective in terms of health care delivery? Is there more that our government can do to impress upon Ministry of Health staff to work more co-operatively with the Group Health Centre and to understand the model better?

Mr Murray: I think the short answer is yes, there's more that can be done. You have to understand that the Group Health Centre is a model which is different from all other models in Ontario. Because it's different, it has not won the support of a lot of the major powerbrokers within the province, and that continues to be a challenge for us.

The Chair: Mr Wilkinson?

Mr Wilkinson: It's specifically about the barriers that you face, David. I really appreciate the presentation that you've made, and jumping back up to the \$30,000—because we know with the LHINs and the type of proposals we have out there, I think there are vested interests in the province that don't want that to succeed. I'd be interested in your advice about what you perceive as those barriers, and specifically the things that we need to be very cautious about so we don't fall into a trap of not having these things succeed.

Mr Murray: I think one of the biggest challenges with LHINs on the horizon is the fact that we're initially talking about CCACs and hospital funding. Once again—and this goes all across the country—the physician component is left out of the integration efforts, the regionalization efforts. You can't really run the system without physicians being part of it.

If I look locally—and I talk about the OHIP pot of money—we don't draw on the OHIP pot of money the way we would if we had a full complement of physicians. We're short about 30 physicians, GPs and specialists, in this community, which means that we're not hitting the OHIP pot of money for several million dollars. We lose that money. If that money somehow was dedicated to this

area so we could look at alternative ways of trying to provide those services—whether it's with more permanent locum situations, training nurse practitioners or using other allied providers—at least we'd have the resources to make those decisions locally. As it is, as I mentioned, we're penalized twice: We don't get the service and the money goes off and gets used somewhere in Ontario where there is already an oversupply. It's just not fair.

The Chair: Thank you for your presentation this morning.

This concludes our hearings in Sault Ste Marie. We are adjourned.

The committee adjourned at 1139.

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