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des débats
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Jeudi 29 septembre 2005

**Standing committee on
estimates**

Ministry of Children
and Youth Services

Ministry of Natural Resources

**Comité permanent des
budgets des dépenses**

Ministère des Services à l'enfance
et à la jeunesse

Ministère des Richesses
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Thursday 29 September 2005

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*The committee met at 0904 in room 151.*MINISTRY OF CHILDREN
AND YOUTH SERVICES

The Chair (Mr. Cameron Jackson): I call to order the committee on estimates. We have approximately four hours left for the Ministry of Children and Youth Services. We will begin our regular rotation again, starting with Mr. O'Toole for 20 minutes.

Mr. John O'Toole (Durham): Thank you very much again, Minister. I'm looking forward to Ms. Munro showing up, because as the critic, she has a far more detailed grasp of this very important ministry. I do appreciate some of the responses yesterday, which clearly indicated your desire to look at things perhaps differently and try to find the money down to the front line.

I would say that the last three or four issues I brought up, I'll probably just put them on the record again and maybe we could have a little conversation about them, because I really don't have any prepared questions. That's a long preamble to say I'm not sure how I'll use the 20 minutes.

I was really interested in the program for the child care component. I've had a bit of time to go through the estimates book to see that. How is it going to function with the resource centres that we set up in our term of office? I see there was money removed from the Early Years community groups. The Early Years centres in my riding, I was trying to say earlier, are basically not-for-profit. They were not a complete rollout of what Mustard-McCain had wanted. You're kind of fitting that whole thing in as part of the umbrella of this national daycare strategy, I guess.

Hard-to-service communities: Part of my riding of Durham includes Port Perry. It's about 50% rural. Even at the school level there's a lot of pressure on small, rural schools. Enrolment is an issue but programming is not. I think the programming is excellent at Cartwright High School. It's one of the smallest high schools in Ontario. How are they going to set up these daycare facilities, or are these Early Years centres going to be a resource that rural people can use?

In fact, I would say our position is probably, first, to recognize that, yes, in most families both persons work, out of necessity, which is unfortunate. I probably would look at it through a tax strategy myself and I would encourage one of the parents to stay home with the

children. I think the primary caregiver may need resources, be they toys and tools to enrich the life of the child or experiences like the Early Years centres, playing with other children, socialization. So some of the resources aren't just tax breaks, but if one of the parents chooses to stay home for those nurturing years, the first two or three years of the child's life, I think it's absolutely critical for them to learn parenting skills as well as having resources and social exposure with other children and other families, learning how to develop and enrich children's lives. Is that going to be any part of the option at all, or are you going to have this nanny state thing where only the government knows how to do it?

I think in rural families, in many cases, there are seasons of the year where they do need daycare. So to set up a system that's going to say, "OK, here's the deal. Here's how we do it. We provide it. You bring the children and we'll have experts look after them"—I'm concerned that there isn't enough flexibility in the current model and it's all going to be these licensed daycare blah blah things and everybody will belong to the CAW or something.

Then you get into the Day Nurseries Act. When they attach them to schools, what happens is, under that act, I think the ratio is one to eight, and now it's 20 to one. If you're a JK teacher, it's supposed to be 20 students per one instructor, and in the very room next door where they go in the afternoon, it's going to be eight to one. But they'll want parity; they'll want the same pay. How is that all going to work? I asked you a simple question: What is the annual cost per child expected to be? In Quebec, I think it's about \$8,000 per child. That program, that \$5-a-day deal, I don't think it's affordable. It's laudable. Everyone would like it, provided we all had oil wells in our backyards.

0910

Hon. Mary Anne V. Chambers (Minister of Children and Youth Services): Thank you, and good morning. I actually read about your region in the newspaper this morning and it was on our subject, so I'm not surprised at all that you've raised that as your first topic this morning, Mr. O'Toole. The article I saw in the newspaper today spoke about the demand for child care. Toward the end of the article, it also made reference to the fact that the 770-whatever spaces anticipated for Durham will actually be helpful.

Combining what you've just said, because you've talked about demand as well as alternatives—that article

is talking about demand—Best Start, in terms of the child care side, is actually working toward addressing that demand. It's not intended to tell parents that this is the best way to take care of their kids; it's intended to address the demand we have heard about, the desire people have to receive support wherever they can get it in balancing their family life and work challenges. I certainly have also heard from parents who would like support staying home, and there are treatments, if you like—and, they would say, “not enough”—through the income tax system to support some of that.

What our child care initiatives are intended to address are those situations where parents are saying, “We work, and we need help.” Some 70% of parents with children under five are working and saying that they need support for their kids, they need child care for their kids. The primary focus of this plan—this \$1.1 billion over the next few years; \$1.9 billion over the five-year term, but primarily in the first few years—is the four- and five-year-old who is in junior or senior kindergarten, whose parents need support for the rest of the day. So in fact, when we talk about 25,000 spots, that will probably translate into over 30,000 children, because in a lot of cases, these spots will be used on a part-time, part-day basis.

There's no question that we also recognize how critical the early years are for children's development, just as you said, the critical first three years, the first few years. That's one of the reasons we are emphasizing that this should be a quality and a developmental opportunity for these children. Hence our emphasis on improving the qualifications, the compensation and the retention of child care workers. The Ontario college of early childhood educators is part of that thrust.

You also talked about the importance of kids growing in an environment where they have the support of other families or other kids. We also refer to that as socialization. I think kids can get that at home in their neighbourhoods; they can also get that in child care centres.

So we are actually providing parents with sustainable choices. We're not telling them what to do with their kids. This is not a mandatory program. But based on the wait lists that we are hearing about—and in your region, from that article this morning, the demand is clearly there. I don't remember all the numbers from the article, but certainly the numbers that were put forward in the article as the demand were larger than what's currently estimated for their share of these new child care dollars. So that tends to support the direction that we are taking.

In terms of providing parental resources and other types of assistance through the early learning centres, they are wonderful opportunities for parents and their kids. I think we want to look at this initiative as a comprehensive package of programs, and that typically means that you look at where the dollars are needed and you put them where they are needed. We hope we'll get that right, and we're not doing that entirely on our own. We're actually working with the regions and the municipalities and the social services managers in those regions and municipalities so that they can talk to us and present

us with plans that reflect local needs. So even the estimates of dollars and additional spaces that we have provided for their purposes and for the allocations reflect historic experience in terms of demand for services, wait lists, the demographics in the community and the kind of help parents would need.

That is also going to influence the take-up on subsidized spaces as we work out our new income-based subsidy. I suspect one of the challenges that we are going to have is that with improved subsidies, we're going to have an even higher demand for child care spaces. I think what's going to happen is that parents are going to be seeing this as an opportunity to access higher-quality, more reliable, perhaps, child care than some of what they have been feeling they have had to go for in the absence of more licensed child care spaces. So there is still every bit of evidence that the demand is there, and in fact the demand exceeds even what we are planning to add. This is not saying to parents that they can't do as good a job as government can do with their kids; not at all. This is saying, for parents who would like support, “Here is support.” The demand numbers and the wait list numbers for child care spots speak to this demand and to this option, as opposed to an alternative, as an option that is of great value to parents.

Mr. O'Toole: Great. Well, I see in the information you provided this morning the central-east region. You've mentioned the number, 770 new licensed child care spaces. I look at the breakdown here for Durham region. It comes to about \$35 million, of which about \$11.6 million is actually capital.

The cost for those 770 spaces is \$35 million. Somebody else can do the math, but technically, I guess that's the cost per space. Is that an annualized cost? I know capital generally is one-time, but the way we have accrual accounting and all that now, I guess it is an annualized cost: maintaining in a good state of repair and all these things to maintain capital assets. That's pretty expensive.

Hon. Mrs. Chambers: Well, the operating funding includes a number of things. Out of the \$1.1 billion I think there is, what, \$106 million for improving wages for child care workers. Again, the emphasis is on quality and retaining good people. In child welfare, a more stable environment for our kids is going to be a more positive environment. A higher quality of staffing, the ability to add more training for child care workers—that's all in there.

0920

The other thing that's in there that's new with these dollars is that the province is not asking the municipalities to put forward the traditional 20%, to share in that funding. The province is moving all the federal dollars into this and utilizing those dollars to ensure that those spaces are in fact available. So the capital dollars are for expanding facilities.

The operational dollars break out into wage enhancements, training. The municipalities have always had to come up with administration-type money. They don't

have to do that this time around. We're trying to make this as implementable and as successful a proposition as possible. Maybe this is a good point at which to say to you, with all due respect to all of the service providers—and there are so many service providers associated with this ministry—and the issues they face, it needs to be clear that at the end of the day our focus is children, youth and their families and how we serve them. The service providers' role, in my view, is to work with us for the benefit of children, youth and their families.

That's also one of the reasons why we say, "Tell us what your local needs are," as opposed to what a particular agency's needs might be. "Tell us what the local needs are." That's why we empower our regional service providers and our regional managers with the ability to make decisions based on local needs.

Mr. O'Toole: I appreciate that, but it still looks like about \$5,000 per student, as I would get it. Whether the money is in training or staff or capital, it's probably \$5,000 a year—maybe more, actually, for each student space—whether it finds itself in the salary component, whatever. All of that is important.

My wife, who is a primary teacher—in fact, she had her ECE specialist and then went back and became a teacher. The unfortunate thing is that there are many, in my wife's experience, who have gone into teaching and taken the necessary training, but they don't recognize the ECE certificate. If you were a teacher with a general degree and took a couple of courses in geography or sociology or something, you could upgrade your classification from level 4 to level 5. That's a problem. The ECE program was a college program originally, and they've been arguing that they're underpaid. I would say that, arguably, they should be better paid. I'd say that because they're taking care of our future generation and they need to have special commitments and be rewarded. I can say the same about persons working in long-term care. I'm exposed to that through my mother-in-law, who is in long-term care. That is a special calling. You don't want people to be frustrated about the various issues of earning a living or they are liable to be frustrated in the workplace. How much that number is is another thing. If you get a master's degree in nursing, you won't be doing that work anyway; you'll get the briefcase then. You actually don't touch any diapers or stuff like that. Heaven forbid.

Do you understand? That's what happens. We end up with these things that are driven toward some kind of segmentation of the workforce. The more skills you have—it's sort of like the Peter principle: You keep moving people along so that the really good ones don't end up doing the function that you and I are talking about, which is providing direct care or service to children and youth, which is really what I'd like to see.

The other part to this thing: I know there is a component that the parents will pay as well. So the government's contribution is one part. These are non-subsidized spaces for the most part, I would guess. I'm not sure how many of that 770 will be subsidized. Then, if you look at how you actually allocate this, based on some formula—

hopefully it's done on Stats Canada's demographic profile of a community based on income. Oshawa has the highest income per capita in Canada, I believe. They all live like barons there, having worked there for 31 years. I guess the point I'm making is, how are they going to allocate the fund by region? Is it purely population, or is it demographic-profiled based on income and other needs? Perhaps you could tell me how these numbers got developed.

Hon. Mrs. Chambers: The numbers were developed based on demographics and historic demand for child care spaces, in conjunction with the experience that the ministry has from working with the municipalities and their service managers. These numbers reflect local needs and local input and historic needs. In terms of subsidies, subsidies will be income-based. To date, they have been need-based and took into consideration people's assets. Over the past year, we made changes in that area. We eliminated such things as RESPs and RRSPs from that determination, because we are not trying to penalize—if a family, for example, is putting away money for their child's higher education through an RESP program, which incidentally, the federal government also makes a contribution to, then we didn't see any reason why we should penalize families for their long-term interest in their kids. We have long-term interest in kids as well, so we made that change.

Over the past year, there were more than 4,000 subsidized spaces added to the system. The income testing model that we're developing now is intended to increase access and increase affordability for families who need more help.

The Chair: I'm sorry, but this cycle is completed. I'm going to have to move—

Mr. O'Toole: I thought I had another—

The Chair: No, actually you're two minutes over, but that's OK. We've got lots of time here today.

If I may, Minister, I just want to acknowledge receipt of the package, you and your ministry's response to the questions of yesterday. I've been in this chair for over seven and a half years, and rarely have I seen a minister and ministry staff respond with such willingness and such thoroughness. I want to publicly thank you for that. I also want to put on the record, and I've been waiting for an opportune moment, but we as a committee are still waiting, one year later, to have all of the questions raised to Gerard Kennedy, the Minister of Education. Just to let you know, and for people watching on television, we rely on the goodwill of ministers and their staff, and I want to publicly thank you and your deputy, Ms. Wright, for that.

I'm reading through this, and I recognize this is delicate material, but I appreciate the way in which you've presented it. On behalf of the entire committee, I thank you. If you have an opportunity to speak to your colleague, let him know that this is not a painful process; this is an open process. I want to thank you for that.

Hon. Mrs. Chambers: Thank you, Chair.

The Chair: Now, that's my editorial comment as the Chair. I'm very pleased to recognize Ms. Horwath and anxious to give Mr. O'Toole his minute back.

Ms. Andrea Horwath (Hamilton East): Thank you, Mr. Chair. Good morning, Madam Minister and everyone from your ministry. It's great to be here again. I'm going to focus on the Best Start program today, and wanted to start off just by getting some clarification on some of the numbers in the estimates briefing book.

I wanted to start off on page 45 in the book. It indicates child care and early learning, an increase of about 35.5%, \$203 million. I'm just wanting to confirm that that's all federal money. Is that right? That's all federal money?

Interjection.

Ms. Horwath: OK. So then, if you could just bear with me for a second, a little further down on the right-hand side, in the changes from 2004-05, there is the \$175 million federal funding and there's the \$29.3 million, which is also federal funding. Then, a little lower down you have all the debits on the lines there; that adds up to about \$23.7 million going, it says, to child welfare. Can you show me where that shows up on the child welfare side, or does it just not show up at all; is it something that was done previous to this book being published? It's about \$23.7 million, give or take.

0930

Hon. Mrs. Chambers: Ms. Horwath, I hope you don't mind that I'm asking my assistant deputy ministers and directors to assist me on these—

Ms. Horwath: No, absolutely not.

The Chair: Please identify yourself for the record.

Ms. Lynne Livingstone: Good morning. I'm Lynne Livingstone.

The Chair: And your title?

Ms. Livingstone: I'm the executive director of strategic initiatives. My understanding of the reconciliation of the reductions that you noted on page 45 are that those resources were directed toward child welfare as a priority for the ministry. If you look at the detail on page 45, it highlights that, that as projects came to completion we took the opportunity to realign those resources to other priority areas; the same with where we had initiatives that did not begin, we also took that opportunity to realign those resources.

Ms. Horwath: All right, but I guess I was asking if you could be more specific about where those resources got realigned to, within the child welfare envelope.

Mr. Robert Rupnik: Robert Rupnik, director of finance. If you look on page 55, you will see that there are various increases to the line item "Children and Youth at Risk," and that's the activity program. Child welfare increases by approximately \$97 million. That is a combination of receiving new funds as part of the business planning cycle. Also, if you look at the descriptive below, you will see "Child Welfare"—

The Chair: Excuse me, Robert. We do need you to speak up. Speak more closely into the mike and speak up a little louder.

Mr. Rupnik: Sorry. I just mentioned that there is an increase of about \$97 million for child welfare, the program. When you go down to the description, you will see

a line called "Child Welfare Services Volume Growth"—\$72 million. You will also see a line called "Realignment from Community Support"—\$20 million. That is the realignment from the earlier page that you identified.

Ms. Horwath: All right. That's great. When we say that that went to child welfare services volume growth, that's just the regular cost pressures for the children's aid societies, or what exactly is that? I don't know whether you have that answer.

Mr. Rupnik: It is volume growth and cost of providing child protection services.

Ms. Horwath: So some of that, then, was directed to agencies?

Mr. Rupnik: The line for child welfare is for our 53 children's aid societies.

Ms. Horwath: OK. If I can continue in that vein, more or less, there have been federal dollars put in; there has been some realignment from Best Start into child welfare because of the pressures in that area. That's completely understandable; that's right. But what I don't see in the estimates briefing book is the \$300 million that this government was going to invest in Best Start or in early learning and care for children. So can you identify any of those dollars in these books?

Ms. Livingstone: Best Start is building on a significant provincial foundation in a number of programs. Approximately \$668 million of provincial funding is directed toward programs that are part of the overall Best Start strategy. That would include programs like Healthy Babies, Healthy Children—

Ms. Horwath: I have the documents that show the previous provincial investments. I'm just asking about the additional \$300-million investment that was promised by the government when they were running their campaign. If there isn't any in this year's budget, that's fine. I'll track it and see if any comes up for next year's budget. That was part of the point.

Ms. Livingstone: Do you want to speak to that?

Mr. Rupnik: Thank you for the question. The Best Start initiative has two components: There's an operating component and then there's a capital component. The funding that the ministry received this year was about \$271 million in total, which is the \$300 million that is frequently discussed. In the estimates book, the page that you were referring to, page 45, captures the operating component. So \$175 million is on this line here. If you go to the back of the estimates book, on page 77, you will see that the ministry has an activity called infrastructure programs, which is capital, and \$97 million is the balance of that federal component.

Ms. Horwath: I actually have that marked off as well. But I'm not talking about the federal dollars; I was talking about the provincial government's commitment to investing provincial dollars. Again, I know this program is going to take a while to get to its full existence, if you want to call it that, but I'm just not sure whether the provincial dollars are flowing into it yet, in addition to what the baseline was previously.

Ms. Livingstone: Some of the provincial investments that were made in the last year were in the areas of

Healthy Babies, Healthy Children, infant hearing and preschool speech and language; specifically, \$8.35 million in Healthy Babies, \$1.2 million in infant hearing and \$4.7 million in preschool speech and language. As I said earlier, Best Start is building on a substantial provincial foundation that already exists, including a large part of our child care system. That's the base from which we're building for the Best Start strategy.

Ms. Horwath: OK, so last year's increase is about \$5 million in total in those programs that you described?

Ms. Livingstone: Approximately—I can't do the math in my head—\$8.35 million, \$1.2 million and \$4.7 million was the investment in those three programs for 2005-06.

Ms. Horwath: That's over and above last year's amounts.

Ms. Livingstone: Over and above last year's amounts.

Ms. Horwath: So that would be theoretically deducted off the 300 million new dollars that the government committed to investing in this area overall.

Ms. Livingstone: And it's in addition to the investment that's being directed through the federal funds for the early learning and care funds.

Ms. Horwath: Absolutely. I guess my last question is—and I think you've already alluded to it in regard to naming those three programs: Will any of the money from the ECDI or MFA be targeted to programs other than early learning and care?

Ms. Livingstone: The early child development initiative, which I think is what you're referring to, was directed to a number of programs that are fundamental to Best Start, including our Ontario Early Years centres. Healthy Babies benefited from that investment as well. The new early learning and care funds are being fully directed to increasing capacity and access to a quality child care system in Ontario, fully directed to that part of the system.

Ms. Horwath: If you were to list the programs that these other dollars went to, they would more or less be captured through Early Years and Healthy Babies, Healthy Children?

Ms. Livingstone: They went to a variety of programs—

Ms. Horwath: In those envelopes?

Ms. Livingstone: All part of the Best Start piece.

Ms. Horwath: Could I get a list of the various programs? That would be very helpful.

Ms. Livingstone: Absolutely; we can provide you with a list.

Ms. Horwath: We were talking about the \$97 million that you showed me at the back of the book on the capital side. I appreciate the charts that indicate where we will end up, over three years, on March 31, 2008, after all of the federal investment has been made, but I'm wondering what kind of work has been done to ensure that there's enough money to actually fulfill the spaces that are being promised. That comes not only from the questions I had prepared, but others within the system are looking at those numbers and they're a little bit concerned that we

might end up coming up short. Can I get an explanation of how those numbers were arrived at and where the assurance is that the spaces that are indicated will actually be able to be afforded with the dollars?

0940

Ms. Livingstone: There are a couple of components to how we determined what amount should go toward capital and the operating side of it, and also how we allocated those funds out across the province. When we were looking at the investment, we knew that in Ontario we needed to build on the system. As the minister has already indicated, there is a significant demand. We also know, as I'm sure you've heard from your constituents, that if parents had the choice, some would choose to access quality regulated child care.

We took a look at the existing system and we knew there was limited vacant capacity left, and therefore we needed to build new capacity in the system. Based on that analysis, we arrived at what we thought we could do within the resources that were being provided through the federal early learning and care initiative. So that's how we arrived at the amount for a capital allocation over the next three years.

With respect to operating, we knew that the system must be sustainable, so the investment on the operating side, in addition to addressing improving quality through the increase in wages over the next three years, is also built on looking at what our current and past practice has been around delivery of child care in the province: how much we direct toward fee subsidy, wage subsidy, special needs resourcing, minor operating capital and administration. All of those elements were taken into account.

If we just looked at the chart that was provided, the operating dollars are based on ensuring that we can sustain the spaces that are built. We've assumed a relationship between the number of spaces we want to see, just increasing sheer capacity, but also ensuring that there are the necessary wage subsidies and fee subsidies in place to support families accessing those spaces. That's how we came at that piece.

In terms of how it was then allocated across the province, as the minister indicated, we undertook a formula that brought together a combination of looking at the child population and other factors that impact on demand, as we understand it, for accessing child care; factors like low income, low-education status, whether French or English is the first language. We know these are all factors that can impact that. There were two other important factors that were considered: high growth in an area or large geographic distances. All of that played into the formula that was used to do the allocation.

Ms. Horwath: That's extremely helpful. There are two concerns flowing from that. One is that just by the use of the raw numbers, a couple of the regions have indicated—not formally; just informally—that they're fearful that the amount of operating dollars is not going to be enough to actually provide the quality that is part of the founding principles of this entire program. I would

just want to flag that pretty much and let you know there is a concern out there that in doing the math around the spaces versus the operating dollars, the quality that I think everybody would want might not be realized. Whether that will put pressure that would have those provincial investments flow, the \$300 million that was promised, maybe that's in the future; I don't know. But I think it's important to recognize that there is some concern out there about whether or not you'll get the quality based on the numbers that are in this chart.

Hon. Mrs. Chambers: I'd like to respond to that, because I would be as concerned as you are if that is indeed the case. I should tell you that there have been concerns raised to me about the aggressive timelines.

Ms. Horwath: That was my next question, Minister.

Hon. Mrs. Chambers: Well, yes. But I'm not going to back off, because it's like storage space: You can fill as much storage space as you have. You can fill as much time as you have as well. So I'd prefer to focus on tight timelines and do the best we can with those timelines. If it does turn out to be the case that we need to do some more work after those timelines have expired or to adjust some of the planning, we're here to do that. We are working interactively with the service managers on their plans so that we cannot hold them up. We're saying, "Work on developing them. We will review and approve them very, very quickly." How we are going to be able to do that is to stay in touch with them as they are developing these plans.

So the planning process that will result in that end-of-October submission-and-approval deadline for 2005-06 is crucial. I know they're really nervous about what they are doing, and there are probably a lot of questions out there. We may not have all the answers yet, but we are looking forward to being in a position to see what they are coming forward with, because until we see that, we don't know what we need to do in the way of interventions to improve the situation. The intention is certainly not to compromise quality just to get the numbers. We want the quality.

I have asked for numbers on how we're doing so far in terms of additional spaces, because I do recognize that it takes a while. There are some places—I spoke with a representative of a Y in the Peterborough area, and they already had their eye on facilities that they would like to acquire and convert for child care spaces. So I think that if that plan isn't already in, it's probably very close to coming in and will be able to be turned around quickly. That's an example of where people have had their sights set on being able to do this, and we did—

Ms. Horwath: I'm sorry to interrupt, but just as part of that, I know that the Ontario Coalition for Better Child Care sent a letter to the Minister of Finance, carbon-copied to you, to ask for a meeting to talk about how we can make sure we do get all those federal dollars out of the gate, and whether there are things that we can do with the federal government, or maybe some—I wouldn't want to say "creative financing," but a way to make sure that those dollars are not lost by virtue of the rush.

Hon. Mrs. Chambers: Absolutely, and that only affects the 2005-06 year with the trust dollars, because in fact it's not even a year. It doesn't start at the start of the fiscal year; it started basically in July, because the approvals came from the feds at the end of June. So we recognize the issue; we recognize the challenge. We are also having those discussions with Finance. And yes, we are trying to be thoughtful and—I know the word "creative" has all sorts of connotations, so I can understand your not wanting to use that word. But we are trying to be innovative and we are trying to find ways of dealing with the fact that we don't want to leave any dollars on the table.

I'm spreading that pressure around. I'm sharing that pressure among my own ministry officials and the municipalities because, as I said to Mr. O'Toole earlier this morning, at the end of the day, it's those kids and their families whom we are here to serve, and we are all going to have to expect to bend over backwards to do this. And yes, I've already had initial conversations with Minister Dryden, my federal counterpart, to say that this is one of the issues that's in the air on this particular file, and it is because of that 2005-06 trust arrangement.

The good news is that for the next two years, that's not an issue.

Ms. Horwath: The following two years.

Hon. Mrs. Chambers: The following two years. So we are actually waiting to see those plans. We're not going to speculate as to what those plans are going to say. They know all the targets; they know what we'd like to see. But obviously the local input is essential, and we don't want them to say that they can do something that they cannot actually do.

0950

At the same time, we recognize that there is a lot of pressure on. So we are being realistic in trying to plan for the eventuality that it's not going to be easy to spend all of those dollars in that less-than-one-year period. We're working on seeking ways to mitigate that particular risk.

The Chair: Thank you, Minister. We would now like to recognize Mr. Berardinetti.

Mr. Lorenzo Berardinetti (Scarborough Southwest): I want to start off by welcoming the minister and congratulating her on her new position as the Minister of Children and Youth Services.

Hon. Mrs. Chambers: Thank you.

Mr. Berardinetti: Madam Minister, I wanted to ask a question that centres around the issue of youth justice services. It's an issue that's important for myself as a member from the Toronto area and, I think, for all members throughout Ontario. They probably receive complaints from their constituents, or concerns at least, about the issue of youth justice and what's being done regarding youth justice services in our province. When I have my constituency appointments on Fridays, I usually get at least one person who comes in and complains that we're not doing enough or that we should have tougher laws in place for youth. Everyone seems to have a different take on a potential solution on how to deal with

youth justice and whether or not, for example, children who are 16 or 17 years old should be tried in regular court. Even for 15-year-olds, I've heard some people say to me, "There was an incident that occurred on my street; a break-in occurred. It was a 15-year-old. We want him or her tried in a regular court of law." This, then, gets into the social aspect as well: "What are they teaching at school? How come, in my day, 20 or 30 years ago, we didn't have these kinds of problems? We didn't see teachers getting assaulted or being bullied by their kids. There were stricter penalties in place," and on and on it goes. The day before yesterday, in the paper there was an incident where a teacher was bullied or actually assaulted in a schoolyard during a recess break. These sorts of things seem to really pervade or come up in my community.

I do also hear the other side as well, where some people are saying, "Let's not focus on putting kids in jail," or "Let's not focus on detaining kids or punishing them severely, but let's look at preventing the kids from becoming that way." I've had friends, for example, colleagues and even family members, who are raising young families, who have decided to take their kids out of the public school system completely and are spending the extra money to put their kids into private schools, thinking that that will help them to not be influenced by their peers or their friends at school. They're willing to spend that \$13,000 or \$15,000 or \$10,000 a year to get their kids into a private school and to stay away from other influences.

I'm 43 years old. I went to school here in Toronto, in public elementary and secondary school, from kindergarten all the way to grade 13. My experiences in those 14 years of being in that system were very positive, for the most part. We didn't have the kinds of things happening back in the 1970s and 1980s, I guess, that we have nowadays. So there has been a change, and I acknowledge that when I talk to my constituents. They've come to me and have said that in the last five or 10 years, maybe with the advent of the Internet and video games and the whole sense of media bombardment—it's a much larger issue, media itself, and its effect on individuals, especially young people. This is one aspect they've come to me to talk about, and they want me to do something about it. So as an MPP, I have said that I support our government's initiative of creating this Ministry of Children and Youth Services. I am glad that we've set up this ministry. One aspect of it is youth justice services.

Recently, I've heard and understand that it's undergoing a transformation. My question is basically this, Madam Minister: I just wanted to know if any transformation is taking place in your ministry, and how you see youth justice services working in your ministry and what your vision is for that area.

Hon. Mrs. Chambers: Thanks, Mr. Berardinetti. We represent ridings that are very close, geographically, so I hear a lot of what you're hearing too. My perspective on this issue is pretty broad. I'm going to tell you a little bit

about my personal perspective. I'm also going to tell you about what we're doing in my ministry on youth justice and where I think we need to go. I'm also going to give you a sense of where I think our government and the Premier is on this issue.

My personal perspective is that yes, times change, but every decade, when we talk about the good old days, it's a previous era. Have you ever noticed that? It's always a previous era. But it's always the "good" old days, and sometimes I think we forget what things were like. Having said that, I had an unexciting childhood, and my sons had an unexciting childhood in terms of the kinds of excitement we read about and hear about that we are concerned about these days. The Attorney General has announced a number of initiatives—and these are not just youth-related—but a number of initiatives that I would refer to as tough-on-crime-type initiatives. There is also work to be done on tough-on-cause initiatives. There is more work to be done in that area, I think. Even when my constituents are upset about crime and personal safety, they also talk to me about homelessness and poverty and social issues that are in fact fertile soil for crime-related activity, if you think about it.

The youth justice portfolio came to children and youth services in April 2004. That would be one year following the federal government's implementation of the new Youth Criminal Justice Act. The Youth Criminal Justice Act's focus, primarily, is on diversion and special programs to help youth to more effectively contribute their energies to strong communities. As a result of that, we have actually seen some differences in even the demographics in how young people locate themselves in various aspects of the youth justice system.

Basically, what we are doing is providing services in keeping with the Youth Criminal Justice Act and directions from the courts and the justice system. I'm going to give you some numbers. These are pretty accurate; they're from my memory, but I'm pretty sure that if I'm off, my staff will correct me. So we have basically three classifications. In secure custody for youth, we're talking about approximately 620 youth; open custody would be about 360; and in programs that fall into the community supervision category, we're talking about 13,500. Certainly, the custody numbers represent a decrease of about 40% over the last few years, and an increase in the community supervision classification.

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We have also been working, as part of this transformation in our ministry, on bringing together two groupings that existed previously: the 12- to 15-year-olds, who were considered youth, and the 16- and 17-year-olds, who sort of straddled youth and adult justice. You may recall that my predecessor announced the closing of a Toronto centre that was, in fact, deplorable. The child advocate and many other interested and concerned groups talked about the conditions there as being not suitable for young people. From what I gather, it probably wasn't suitable for any age.

I want you to know that we are determined to hold our youth fully responsible for their conduct, and if they're in

secure custody, that means that their offences are more serious than if they're in community supervision. If they are in open custody—and remember, we do not determine where they go; it's the court system and the justice system. There are processes now for interventions that the police can do that fall under the category of diversion, where probation officers acquire a stronger responsibility. In fact, we have added to the number of probation officers and reduced their caseloads—those probation officers report to my ministry—so that they can spend more time with the young people in their care, with the young people under their supervision.

Open custody would house youth who have either been originally sent there due to the nature of their offences by the courts, or sent there as a second step after secure custody as part of their preparation for integration into the community. Obviously, if you are living in a secure custody environment for several years and one day you move from there just into the community, there would certainly be the very great risk of effective reintegration. That's really the focus of open custody: rehabilitation programs, psychiatric care, you name it.

I have had some very interesting conversations with some of the program managers in my youth justice services area in the ministry. I remember having a conversation with a group of program managers, asking a variety of questions, one of which was, "What's the most common reason for these young people being here?" One program manager had a particularly thoughtful response to that. She said, "Do you mean, what are the most common offences, or why are these young people in the system?" I said, "Well, how insightful of you."

Basically, they're two different answers. She wanted me to know that, amongst these kids, she saw a lot of immaturity. She saw mental health conditions. She estimated that approximately 30% of the young people she comes in contact with in the youth justice system have some kind of mental health challenge, which of course should not surprise us, based on the stats I shared with you yesterday, where the mental health community suggests that one in five children under the age of 18 has been diagnosed with some kind of mental health condition, which is kind of scary. She also told me that the immaturity that she was seeing—a 15-year-old might actually converse with her or with others like a 12-year-old. She felt that a couple of good sessions with a probation officer might just simply be what those kinds of kids need. So we have a spectrum. Some of the programs that we have are being delivered through attendance centres. We have increased the number of attendance centres in the province. We have added 11 since April 2004, when this portfolio was transferred to the Ministry of Children and Youth Services.

I'll tell you a little bit about the attendance centres. The young person remains in the community and attends this non-residential program for up to 240 hours for up to six months. The young person has to participate in a program in his or her assessed area of need. It might include anger management, substance abuse counselling,

education, employment and other life skills. This resulted from consultations that the ministry did, involving about 375 people around the province, in terms of what the appropriate responses should be to youth in conflict with the law. This helped to formulate the strategy that's under development right now.

We've also asked youth justice agencies in a variety of geographic areas, including the area that you and I are most familiar with, about the needs of their particular youth and the options they see as important to their particular youth. In a lot of cases, we would refer to those as diversion-type initiatives. We have an initiative called conferencing, where we actually have the youth who have offended meet with their victims and their families to understand the implications of their actions and to discuss how they can, if you like, provide some kind of retribution/compensation type of opportunity to the victim and the victim's family. There are a variety of services. We're working with the police; we're working with community-based organizations. The emphasis is on diversion and on reducing recidivism.

Now we want to place greater emphasis on prevention, so kids who are in fact not in conflict with the law but are at risk of getting there. When my constituents talk to me about poverty, homelessness and some of the stresses they're observing in communities, pressures that must impact kids, they are saying, "Help us." It could be tutoring programs to make sure that they are more successful in school. It could be more emphasis on aggression replacement training, anger management training, life skills, employment skills.

This past summer, in four areas of the greater Toronto area, we funded some skills- and employment-related programs for these kids. We worked with Centennial College, for example, and with community agencies that linked these young people up with employers. What these kids had to say about the experience is actually gut-wrenching because it tells you that they're not asking for a lot; they're just asking that they not be forgotten and left behind. And a lot of these kids do get left behind. It is quite possible that changes in demographics are more negatively affecting certain kids, and I think we have to acknowledge that there is help that's needed for these kids. So I am actually working in that area, doing initial work in that area, and very keen on hearing from community-based programs, because there are so many community-based programs out there that have never seen support from government and perhaps should be getting support from government so they can provide these kinds of supports to our kids.

1010

Mr. Berardinetti: I'd like to follow up on one of your points, Madam Minister. I appreciate the answer.

I think about some of the native communities and people who come from the native communities. We have them in Toronto and we have them at the very northern parts of our province. People in the native community seem to me, the ones I've spoken to, sometimes to have fallen outside of the system, as you've mentioned, and

sometimes need some help. We've seen in the northern part of Ontario, for example, where the kids will not stay in school and end up being influenced by outside sources or by their friends. There is a high suicide rate, for example, in the northern part of Ontario where the native communities are. I was just wondering if any attention is going to be focused on that aspect.

The Acting Chair (Ms. Andrea Horwath): Mr. Berardinetti, can I just ask that you wait for the next round to finish off that question? In fact, you've probably gone over a little bit. We were waiting for Mr. O'Toole to arrive, but he's not going to arrive.

Mr. Berardinetti: Has my time already expired?

The Acting Chair: Oh, yes. It's actually over by a couple of minutes. Maybe you could put that one in your hopper for your next round.

Mr. Berardinetti: OK.

The Acting Chair: Then, if it's all right with the committee, I'm just going to take over the Chair and allow Mr. Jackson to—

Mr. Berardinetti: My apologies. I didn't realize it was past the time.

The Acting Chair: That's OK. We were giving you the lead time because we thought Mr. O'Toole might be able to get back in time. I think you got most of that question out. The minister can have some time to think about it, maybe. In your next round, if you want to bring it back up, that would be fine.

Then we'll ask Mr. Jackson to—

Mr. Cameron Jackson (Burlington): Thank you very much, Madam Chair.

Minister, I'd like to pursue the line of questioning on youth justice services. This was a controversial area in the last estimates because of the depopulating of the institutions, with vacancy rates as high as 70% to 72% of spaces that weren't being filled. Without commenting on that as a good thing or a bad thing or whatever, the point that I raised in the last estimates when I was the critic and your predecessor was in the chair was, where did all these kids go and what are they doing? Could I ask for updated statistics on how this program has been operating in terms of placements, just so that we can monitor that?

When I look at the estimates from the previous year and the current estimates, youth justice numbers, the line in vote 3702-7, which is on page 65, shows a 3.7% increase. But if you look at the estimates from the previous year, it was an negative growth number. So we've got salaries and wages and benefits to employees rising dramatically, we've got the cost of the program dropping, and we've got huge vacancies in this sector.

Staff will recall this line of questioning from a year ago. Clearly, this is a program in transition. It will sustain its policy direction for at least two more years, for sure, so how are you transforming the system? Am I to see in these estimates that we are looking at a significant number of layoffs or transfers out, and that's why the benefits line is so strikingly large? Can you speak to that issue?

I wanted to talk more generally about these kids who are still performing inappropriately in our society but are not in some kind of program. So if we could look at the numbers briefly and then we could dialogue on that, I'd appreciate it.

Hon. Mrs. Chambers: All right, I'll invite either Gilbert or Robert to come to the table to do the numbers. Gilbert, would you introduce yourself at this point.

Mr. Gilbert Tayles: Good morning. My name is Gilbert Tayles. I'm the assistant deputy minister for youth justice services.

Hon. Mrs. Chambers: And we have our finance guy as well.

First, to talk about the vacancies—I hate to refer to it as vacancies, because it sounds like we have beds that we're waiting to fill. I certainly hope that's not how it's going to be going.

I think it would be fair to say that this is a file in transition for a number of reasons. One of the reasons, Mr. Jackson, is that we had taken this out of a larger portfolio of community safety and correctional services. This year's budget will probably more closely reflect the actual situation on this file, because we have now had the experience of last year in seeing how those numbers play out.

We've also seen, for example, as I mentioned yesterday, that we have ended up spending less on transportation. That's because of contracts we have been able to secure with the OPP for transporting young people between Sault Ste. Marie and Sudbury, for example, or between Toronto and outlying areas to which we have had to move young people as we close a facility in Toronto.

I will have Robert talk in more detail about the budgets, and I will ask Gilbert to speak about what he is seeing in terms of how the capacity issues are playing out. I think that's more closely related to the new Youth Criminal Justice Act. Maybe you could talk about some of the numbers first, Robert.

Mr. Rupnik: In terms of page 65, line item 3702-07, and the increases in the direct operating side of the business, this year, as part of the transition from the programs that moved over from correctional services, there were some disentanglement activities that took place. What that meant was that that funding that was previously with the ministry of corrections did move over to this children's ministry.

The other significant increase in direct operating is funding toward implementing and continuing to implement the Youth Criminal Justice Act that, as the minister alluded to, was announced a couple of years back.

Mr. Jackson: The issue I raised is that the estimates for 2004-05 were \$143 million and it would appear that the actuals—let's see; I'm going about this backward, sorry. The estimate a year ago was \$153 million. The actual, we now find out, ended up at \$143 million, so it was \$10 million less. So it's dropping in terms of the costs of this program, correct?

1020

You've estimated for an increase, but your admission rates are down. Last year when we were here we were talking about the large number of vacancies. You had empty beds and you still had staff floating around, and there was every indication that this trend was not going to change. That's why I wanted to know if the trend has changed, so that we can establish that, if there is an increased placement of children back into these facilities, fine, but if the trend we saw appearing for the first two years of your government was to continue, then we have to look at some human resource issues and talk about shifting staff. Otherwise we've got a whole lot of people formerly in corrections who are now in your ministry, or however you've classify them, who are sitting around—

Hon. Mrs. Chambers: I understand the question, and if you don't mind, Mr. Jackson, I'm going to ask Gilbert on the program side to talk about the transformation, because I think it's important for us to remember that, whereas we have rationalized beds and basically closed a number of beds, we still have excess beds in the system but we have more in community supervision work. We have hired more probation officers.

Mr. Jackson: That's the information I'm looking for.

Hon. Mrs. Chambers: Yes, I think so.

Mr. Jackson: If I could get those numbers, then I could see how this system's transforming itself. What I'm trying to get at quickly, if I can, is the issue around those children in active programs in our communities.

Mr. Tayles: I'll be happy to answer the question as best I can. We have seen a continued trend in terms of the decline in the number of referrals to the youth justice services through the Youth Criminal Justice Act. In fact, it appears, according to the trends, that the act is achieving what it was set out to do in Ontario, and that is to restrict and reserve the use of custody for those youth who need it the most, and resort to community alternatives for those who are deemed to be low-risk offenders and would best be served in their communities.

In terms of numbers of youth, the trend has continued. It's roughly the same, with a slight decline on the secure custody detention side of our business. Last year, I believe the figure that was cited here was around 63%. We are just under 60% in the secure custody and detention part of the business.

With regard to the open custody system, we have experienced a significant decline in the number of referrals to open custody from the courts, and that trend has continued. In fact, we've reduced the number of open custody bids in the province from around slightly over 1,000 down to 649, and we've maintained approximately a 40% occupancy rate in that system.

In terms of reinvestment of the funds from those rationalizations—it's the term we call them; they're closures—we've reinvested a significant amount of resource since coming to this ministry in community alternatives, such programs, as the minister mentioned, and attendance centres. Of particular interest to yourself, I believe, would be in the area of what we're doing about mental

health issues as they relate to youth in conflict with the law. We're happy to report that we recently implemented six intensive support and supervision programs across the province that are pilot programs, and those are directed toward low-risk youth who have presented with mental health issues, and as an alternative to placing them in custody, to leave them in their communities, provide a high degree of supervision and make the necessary linkages with the mental health professionals in the communities. That's relatively recent. So that's an example.

Mr. Jackson: Where would I find those, Gilbert, in these estimates?

Mr. Tayles: They would be combined in the transfer payment line of the budget, because we've partnered for those services.

Mr. Jackson: Just so I'm clear—I'm not trying to interrupt you; I'm trying to make sure I can keep up with you—the \$152 million is included in that?

Mr. Tayles: I'm looking at a different sheet, Mr. Jackson.

Mr. Jackson: You know what? It's confusing. I have both years' estimates in front of me. On the right hand side is—so I am looking at youth justice, \$148 million?

Mr. Tayles: On the transfer payment line for 2005-06, yes.

Mr. Jackson: Yes, youth justice services. Are these programs contained in that budget?

Mr. Tayles: Yes, those programs would be funded out of that budget line.

Mr. Jackson: Perfect. Now, can we get a full breakdown of those program dollars so I can just differentiate? It would be helpful on your page 64 if we had a more fulsome presentation of this program in transition. I wouldn't hide this thing under a rock; I'd be getting it out in the open, frankly. If you look at last year's estimates, there was a more fulsome explanation, with some charts which were extremely helpful, which is why my eye keeps going to last year's estimates and not this year's. If we could get those, that would be helpful. I did interrupt you, but now that I know it's in there, if we could get that complete breakdown? Perhaps you can tell me approximately how much of that budget is going toward secure custody and how much of it, approximately, is going toward open custody and other programs.

Mr. Tayles: Yes. I've just been handed a chart that breaks it down.

The Acting Chair: Maybe what Mr. Jackson is asking for is a written copy of that document to be provided, if that's possible. I think Mr. Jackson has about six minutes left, and you might want to continue on a different line.

Mr. Tayles: We'd be happy to provide the information relevant to the questions.

Hon. Mrs. Chambers: One thing I can tell you is that in terms of open custody, we have 72 transfer payment facilities in the open custody section. Also on the transfer payment, we have 17 secure custody facilities and two probation offices, whereas under directly operated, under secure custody, we have five facilities, five under youth units in adult facilities—

Mr. Jackson: Minister, I'll be able to read the chart; I appreciate that.

I'm trying to track where the dollars are shifting program-wise and whether we're getting the dollars into a community environment, as opposed to the more structured community-based—there's a lot more flexibility with contract arrangements, without editorializing here, and you have some substantive staffing and union issues to deal with as you move the cohort from the old system to the new. That's really what I was interested in as well.

If I may engage in a bit of a narrative here, I am growing increasingly concerned about the inability of school boards to understand the true spirit of the Safe Schools Act and the alarming number of children who are being jettisoned out of our school system simply because they have sworn at a teacher or—I'm currently dealing with a couple of students who are autistic, and their disorder manifests itself in defying authority and so on. When you get 10- and 11-year-old children in this province, as they are in the city of Burlington, being removed from school by the principal for 80 to 100 days of the year, this child has absolutely no hope of ever getting educated. I'm seeing an increased trend here. A child simply has to swear at a teacher and they're suspended for two weeks. Parents are being called throughout the day to come and get their child. A disproportionate number of these children are children with mental health issues, disability issues and learning disabilities in particular. I suspect you're very aware of this.

Hon. Mrs. Chambers: I am very aware of it.

Mr. Jackson: One of the challenges facing your ministry is how you integrate it with the other ministries. Your deputy is smiling because she knows we engaged in this dialogue with Ms. Akande when she was the minister about a comprehensive child services policy framework and how you integrate it with Comsoc, health and education. That's for a discussion in a couple of years, to see how that evolves. I know you probably are anxious to get on with that business. But here is a classic case of where your ministry should be stepping in and saying, "Excuse me, the outcomes for these children are being highly compromised."

Our systems are putting children into gaps, and this is a classic case of it. When you start depopulating, for whatever reason, your secure custody facilities, you have to very rapidly provide additional supports for community placement or else—we're mindful, all of us, that these kids are supposed to be in school and they're supposed to be getting educated. But when the school system is driving them out the door—and this is a question we'll be asking the Minister of Education, to be monitoring our elementary students at least, as to those who are being driven out of school because of conduct issues and the system is hiding behind the Safe Schools Act.

1030

I'm going to run out of time, but in the next rotation I also want to discuss the issue around child treatment centres and their budgets, because they are one of the

areas in which we can do better assessment, more timely assessment, where we can look at program delivery, and at residential. Again, I haven't had time to look at these estimates, but I want to get a sense from you, Minister, that you understand that there is this very, very large, rapidly growing cohort of children out there whose educational experiences will be put at risk—their outcomes will not be assured for them—and that the education system is sort of saying, "You are not to be here. We know you should be somewhere else, but you can't get in there." So those—

Hon. Mrs. Chambers: You have no idea how near and dear this issue is to me.

Mr. Jackson: And your staff know how near and dear this issue is to me.

Hon. Mrs. Chambers: Yes, and I'm happy to hear you say that, because there are different schools of thought—"schools"; there's a coincidence. There are different schools of thought on why this is happening. There are a lot of people who actually blame your government for the Safe Schools Act, and the Minister of Education is conducting a review of that act right now. There are two sides to the act, actually.

Mr. Berardinetti was commenting on constituents of his saying that they are concerned that their public school isn't safe any more. Well, we want the public school system to be strong and we want the schools to be safe, because it's only in a safe, comfortable environment that children are actually going to be able to learn and be successful. So we don't want our schools not to be safe. We want our schools to be safe. We don't want kids being bullied. We don't want teachers being bullied. But we also want to ensure that kids, as you just suggested, are not being deprived of the opportunity to have an education and have a future.

I am also hearing from my stakeholders that, yes, the populations you refer to are suffering out of proportion, if you like; kids with disabilities, visible minority kids are suffering.

I would not be too eager to draw the connection between that and the new federal Youth Criminal Justice Act and where we are in terms of secure custody, but I wouldn't be surprised if a lot of kids are finding themselves under the community supervision work that we are doing because they are on the street. Right? And that is a concern that I am happy to hear you share, because it's a serious concern to me. I can also tell you, I've seen a number of other connections that are troubling.

We talked about the mental health connection, and I mentioned that program managers have expressed their observation to me that roughly 30% of the young people they are seeing in youth justice have mental health conditions, mental health challenges. So when we added \$25 million last year to the children's mental health budget, which will grow to \$38 million of additional funding for children's mental health, we are saying we recognize that this is a huge problem area.

When we see estimates ranging from 40% to 70% of kids in the youth justice system having previously been

in the child welfare system, again we say that we have to see the services that we provide in our ministry as a continuum of services, because we actually, unfortunately, see kids more than once along the continuum. That's another reason we are so committed to Best Start, but we recognize that there is a population between Best Start and 12- or 13- or 14-year-olds that we have to take care of.

The federal Youth Criminal Justice Act—I have learned just this week that the Attorney General, Minister Bryant, has asked the federal government for a review of that act, just because he wants to make sure. This is all part of his tough-on-crime package. He wants to make sure that we are in fact not doing harm to communities as a result of the federal Youth Criminal Justice Act. But I can tell you that certainly the law enforcement communities and the justice community have been working in a very, very focused and very progressive manner in trying to ensure that we take care of these kids, because they're not going to go away.

The Chair: Thank you very much, Minister. Ms. Horwath.

Ms. Horwath: I just wanted to finish off a couple of specific questions around the Best Start piece. The chart is very helpful, which indicates the breakdown over the next three years, but do you have anything that indicates what the expectation is in terms of how many licensed child care spaces will be created by the end of, let's say, March 2006, and what you expect for 2006-07 and 2007-08, so that those are actually broken down into targets per year?

Hon. Mrs. Chambers: We actually have those numbers, but they are our projections on a year-to-year basis. With all due respect to the work being done by the local municipalities and regional service managers, we have not given them the year-by-year numbers because we would like to give them the opportunity to give us their plans. So the numbers we have actually given them are three-year numbers.

If you think that they are concerned about utilizing the first-year dollars and the pressures to utilize the first-year dollars—

Ms. Horwath: I'll wait until they see the other targets.

Hon. Mrs. Chambers: If they were to see what we were hoping for in year one, they would probably be even more stressed. So we think it's fair to see their plans. By the end of December this year, we will feel more comfortable sharing the year-by-year numbers, because they would have had the opportunity, which I think they need to have, to tell us what their local challenges and their local abilities are. We know what we'd like to see, but those numbers are not hard numbers on a year-to-year basis. What I can tell you is that the number I've been given for where we're at this month so far is 700 new spots, which I think is not bad at all given that—

Ms. Horwath: I'm sorry, that are already under construction, or that are—

Hon. Mrs. Chambers: Seven hundred spaces have already been added this month, open and ready to receive kids.

Ms. Horwath: That's great. And then how many would that be between—let's say this fiscal year? How many would that be? Is that it, the 700, or just this month?

Hon. Mrs. Chambers: That's new spaces as of September, new spaces that are ready and available to kids out of this three-year plan.

Ms. Horwath: Is that included in the 4,000 spaces that you talked about?

Hon. Mrs. Chambers: Oh, no. The over 4,000 spaces were 2004-05 numbers. So this 700 is brand new licensed capacity this September. This would be part of that three-year plan. I'm very pleased with them, because I know some municipalities actually said to me that they weren't going to be able to do anything as early as September, just because we had gotten off to such a late start with the federal approvals not having been granted before the end of June.

Ms. Horwath: Great. I'm just wondering: These are all for the four- and five-year-old categories, right?

Hon. Mrs. Chambers: It's primarily senior and junior kindergarten.

1040

Ms. Horwath: I raise two points about that. One is, when do you realistically see the rollout of opportunities for parents with younger children? I ask that because I come from the municipal sector—many of us have that history—and I know where the pressures are in terms of parents needing child care, and also in terms of early learning and the importance of early learning. I'm just wondering when you expect the rollout of some of those spaces.

I know that when the previous minister made her announcement about this plan last year, many parents with very young children were led to believe—my brother was one of them; he called me right away and said, "When can I get my child care spaces?" Many parents with very young children, and in fact many parents who were just pregnant, expecting families at that time, were excited about the prospect that they would see some licensed, quality, accountable, developmental care for their very, very young children. The various documents I've read that have been published by the ministry talk about the longer-term goal and the eventuality of rolling out these spaces. I'm wondering, do we have any targets at all as to when some of those spaces will come on-line?

Hon. Mrs. Chambers: Some of the under-four-year-old spaces will come on board this year, but I'm going to ask Lynne to give you her impression of how that's going to roll out.

Ms. Livingstone: The municipalities, in their role as local service system managers, are right now leading the planning exercise for how the expansion of child care in their communities will occur this year and in the multi-years. We've said to them that the priority is four- and five-year-olds, because we're trying to support a transition into school. But we've indicated that we know that to have a strong system, we need to see some moderate

growth in the zero to four range as well. Also, the way operators deliver services, sometimes younger groups are with older groups as well, so we understand that's a necessity of delivering the system. The plans that are coming in in October for 2005-06 will tell us exactly how many new spaces are coming on for the zero- to four-year-olds and for the four- and five-year-olds. So they're working on that right now.

Ms. Horwath: You're satisfied that the deadlines you've set are going to be reached and you're not going to have problems with time.

Hon. Mrs. Chambers: We're going to get the plans.

Ms. Horwath: All right. I guess if there's one last comment about the capital side, it's that it would really be a shame, really unfortunate, considering the federal government's commitment to child care and the provincial government's commitment to child care, if we couldn't solve the problem with the trust situation and we actually lost opportunities to move forward because of the way the money has been earmarked. That would be extremely unfortunate. I certainly hope that doesn't happen, and I expect that all of us feel the same about that.

I notice, Minister, that the last couple of times you've spoken about the expansion of the system, you spoke about expansion in the not-for-profit sector only. Is it now a policy that expansion be in the not-for-profit sector only? I recall that yesterday as well—and I'm going to bring this in too, because I think it will be part of your answer—you mentioned quite clearly that you don't want big-box daycare. First of all, on the issue of expansion in the not-for-profit sector only, is that something you are prepared to be committed to? Again, I'm talking about expansion; we all recognize that the for-profit sector has played a very integral role up till now. I think the common table that exists in the industry has also recognized that, and I think that's a positive step. But I also know that expansion in the not-for-profit sector only is an important principle to prevent the very thing you mentioned yesterday, which is the likelihood or possibility of big-box daycare coming to Ontario. Is it the case that it's not-for-profit only, in terms of expansion and in terms of capital dollars? Also, it's fine to say we don't want big-box, but in what way can the ministry ensure that we don't get big-box? What are you doing to make that the case in Ontario?

Hon. Mrs. Chambers: Certainly, capital dollars for expansion are being directed to the not-for-profit sector. Operating dollars, for example; wage enhancements—all those dollars are available for child care.

As I mentioned yesterday, and in fact corrected later on in the day, approximately 80% of child care spaces are currently in the not-for-profit sector. I also mentioned that we have a few non-urban areas where the only providers are small for-profit centres. These are very, very small areas. We don't want this to be a big-box, commercial undertaking. How do we prevent that? I think the market will help to prevent that. Having the support from government directed toward the licensed child care

spaces that we fund or subsidize will be a major factor in what thrives in this province and what does not survive, where there is no attraction, in this province. Child care is not cheap, as you know.

So to get support from the federal government and the provincial government for subsidies and for support for lower-income families to be able to afford child care is a major advantage, I think, for the not-for-profit sector and the small for-profit operators.

The municipalities are also playing a significant role in terms of how they are designating the allocation of spaces in their particular areas. The city of Toronto has made its position clear. I don't know what the city of Hamilton's position is off the top of my head, but I certainly know that the city of Toronto has declared a not-for-profit-only stance. So we believe that that's actually going to be the continued trend.

Ms. Horwath: So there's nothing specific that you're doing to ensure that that is the trend. I raise it because I think it's naive to imagine that some of the big-box providers from other markets are not keeping an eye on the amount of dollars that are flowing in Canada and in Ontario to expand our system. Although I understand what you're saying in terms of these other issues, it seems to me that unless there is some proactive indicator or signal from government—and I think it's government's responsibility to send those signals out—we are actually vulnerable to that kind of situation. So I think there are ways that the government can make sure that there is not going to be the big-box scenario coming into play.

I'm hoping that you'll reconsider your hands-off approach to that commitment because, although, as you say, the city of Toronto may have made that determination, leaving it up to the CMSMs in a kind of patchwork way I don't think is the appropriate leadership that is required in this particular regard.

Hon. Mrs. Chambers: The province's position is clear. When we talk about—

Ms. Horwath: But is it backed up with legislation, though? Is it backed up with anything—

Hon. Mrs. Chambers: When you talk about dollars flowing, our dollars will not flow to capital expansion in the for-profit sector.

Ms. Horwath: Yes, but it will flow to operating dollars, Minister, and I don't think there's anything that would prevent a private company, big-box company from deciding they'll invest those capital dollars, because over time they're going to get funded with the operating dollars and therefore they can come to Ontario. Part of their investment is the capital, and what they get back for that is the operating.

Hon. Mrs. Chambers: Actually, they won't have that opportunity, because it's not as though we have an infinite flow of dollars. We actually have a finite fund and we are working with the municipalities and the regional service managers on how that flows. So we do have a say in that; we do have a say in the prioritization, for example, of subsidies. So when we're talking about

lots of dollars flowing, if we're talking about government dollars, they're not flowing wherever there may be a demand for them. We are managing that very, very closely.

When I speak about the market having play in this, if a family sees fit to put their child into a private for-profit daycare operation, that's their prerogative, but you will not be finding public dollars flowing in that direction.

1050

Ms. Horwath: All right; one last comment, then. The pressures that exist right now to spend the 2005-06 capital pocket of money: It seems to me that it's oftentimes a lot more challenging and a lot more difficult for the not-for-profit sector to harness the resources necessary to put together the proposals, including finding the land and drawings, all of those kinds of things. In the private sector it's a lot easier to do that kind of work, and the ability to make those investments and fund those preliminary pieces to any proposal is much easier to absorb. So I'm just wondering, as we get close—

Hon. Mrs. Chambers: Big-box plans will not be approved by our government.

Ms. Horwath: Big-box plans will not be approved.

Hon. Mrs. Chambers: They will not be approved as part of that allocation of these dollars. They will just not be approved.

Ms. Horwath: Thank you. That's good to hear. I'm pleased about that.

I don't know how much time I have left, Mr. Chairman.

The Chair: Four minutes.

Ms. Horwath: Can I just talk to you a little bit more about the spaces? I mentioned that we had some concerns about the younger children and we talked about how some of those might be coming on-line in fits and starts as we roll out the four- and five-year-olds. Again, that's positive. But I'm wondering specifically around the opportunity for subsidies and how that system is shaping up in terms of the sliding scale and whether there's anything more firm around how that's going to look.

Hon. Mrs. Chambers: I think you can look forward to an implementation of this parallel, this test opportunity. What we want to do is to implement a formula in a shadow manner in a couple of regions so that we can continue to provide the subsidies that work right now while we are testing to see how the new formula will work. We want to make sure that we do this right. So we are very close to being able to start that testing; we're not quite there yet. But then we are hoping that by the spring of next year we will actually be able to bring forward the new formula for implementation province-wide.

Ms. Horwath: OK. I know that Mr. O'Toole was saying he didn't think a \$5-a-day type of model would work, but I'm wondering if that was ever considered, whether that kind of model was considered or in fact whether just direct funding was considered as part of this program.

Hon. Mrs. Chambers: He was referring to the Quebec model, and I seem to think the actual amount is \$7.

Ms. Horwath: Yes, it is now.

Hon. Mrs. Chambers: There he is—speak of Mr. O'Toole.

I'm also of the understanding that the Quebec government is reviewing that now. It's not sustainable. So if we want to make sure that whatever we're doing is high quality, universally available and sustainable, we have to make sure we do it right. I think the sliding scale that reflects some people having a greater need for support than others serves the public good to a greater extent.

Ms. Horwath: And what about the idea of a model that would be just directly funding child care centres, period—a direct funding model, where there are no subsidies or anything like that; just a direct, straight funding model?

Hon. Mrs. Chambers: When you say direct “funding,” do you mean free?

Ms. Horwath: Yes, I mean based in—

Hon. Mrs. Chambers: Whatever we do has to be affordable and sustainable. I think that is a principle that we must adhere to, because otherwise it won't last.

Ms. Horwath: In the research that was done in preparing your model or where you're going with this, what is it you found that led you to this model particularly?

Hon. Mrs. Chambers: Our objective is not to have free daycare. Our objective is to have a system of early learning and child care that provides a quality and developmental type of environment for kids. On that basis, we want to have this accessible to as many people as possible. In some cases what they need to make it accessible is just more spaces, and in other cases what they need is financial assistance to make it more affordable. Those are the principles that are guiding how we are defining this program.

Ms. Horwath: Am I done?

The Vice-Chair (Mr. John O'Toole): If I may, you're done. I will now recognize the government side.

Mr. John Milloy (Kitchener Centre): This is the first time I've had a chance to ask the minister any questions in this estimates segment. I want to begin by congratulating you, as some of my colleagues have, on your appointment.

Hon. Mrs. Chambers: Thank you.

Mr. Milloy: As Minister of Training, Colleges and Universities you were a frequent visitor to my area, because we had a number of key stakeholders, including two universities and a community college. I want to put you on notice: I think you'll be a frequent visitor to my area in your new responsibilities because we have a large number of stakeholders who deal with your ministry, both directly and indirectly. I just want to report, as I did to Minister Bountrogianni when she had the role, that they are very enthusiastic about the creation of a new ministry and the efforts that have been made to try to coordinate children's services across the board.

Among the many stakeholders—and I want to ask about several of them as time permits—perhaps one of the most pressing involves our local children's treatment centre, which goes by the name of KidsAbility. It works,

as all treatment centres do, with children with physical, developmental and communicative disabilities, and does outstanding work in our community. That's witnessed by the many stories that come out about the miracles that, as an institution, it works, but also I think by the incredible amount of community support that it receives. Just several days ago they kicked off their annual fundraising campaign. I've had the opportunity to attend a number of the kickoffs, and they're jammed with community leaders and community supporters. People come forward to volunteer their time but also to donate money.

The problem that our CTC is facing, as of course many are across the province, is the issue of waiting lists. I have, I'd say almost every few days, a letter or an e-mail from a parent who is waiting to have their child enter a program at KidsAbility, and there is a degree of frustration. I also meet with those who administer KidsAbility on a fairly regular basis, just to get updates. Of course, they too are facing those pressures of the waiting lists.

I've been working with them since almost day one, and one of the things that I've done is encourage them to work with other children's treatment centres across the province. They have an association that has gotten together and, I believe, gave your ministry a proposal on how they might move forward. Admittedly, part of that did involve a funding increase, but they also looked at how to coordinate some of their services and perform more of a hub role.

My question today about this particular stakeholder, KidsAbility, is in two parts: one, your vision as minister about these children's treatment centres—and obviously KidsAbility is the most important for me—and then second, the issue of lineups and capacity and moving forward; how we can work to eliminate them, I guess, or to get them down to more manageable levels.

Hon. Mrs. Chambers: First of all, Mr. Milloy, I think it's very important for everyone to know the real story behind all of my visits to your area. It was not just because I had universities and a college in the area. You know that that's not the only reason why I came to that area. To be really honest, people need to know that you are an incredible representative for that area. You work very hard and you work the ministers in this government really hard to respond to the needs of your community, so I have no doubt I'll be back there time and time again. But do you know what? That's what your constituents expect of you, and I'm so happy they have you there.

1100

I'm not really comfortable with using this forum to talk about specific allocations to specific organizations. I know about the importance of MPPs being able to represent the interests of their constituents, and you do a superb job in that area. I'm going to tell you a little bit about what I know of KidsAbility, which sounds like a really superior centre. I'm also going to speak more, perhaps, about children's treatment centres in general.

I've actually visited one already, and there are 20 of them in the province, I think. There is also a new one that

we have announced funding for recently, and it's going to be a slightly different model compared to most of the others. This one will be for the Simcoe and York regions. The reason why I say it's going to be a slightly different model is because it's looking at how it can bring together a variety of service providers in the special needs sectors to deliver their services in a more effective manner. I spoke yesterday about a delegation from Halton region telling me that, actually, funding is not their biggest issue; their biggest issue is the difficulty that families experience navigating the system. I think the model for the new children's treatment centre in the York-Simcoe region might actually be very interesting in terms of their different approach to bringing service providers together.

However, last year we announced a 3% increase. I think this was the first increase in many years for children's treatment centres. You are right about the wait lists, I gather. Now, currently, the 20 centres serve about 35,000. That's a large number, yet I know there are others they are unable to serve because they don't have enough resources. At the end of June, we announced an additional \$10 million to address things like specialized respite, a range of in-home and community supports, residential beds, interdisciplinary assessments, care coordinators and more flexible funding.

One of the other reasons why I kind of hesitate to talk about individual service providers is because my ministry has a regional structure which tries to encourage service providers within each region to work with that region's office on determining how local needs can be addressed and how resources should be spread amongst this myriad of local service providers. KidsAbility, however, did receive that 3% base increase. That increase was part of a \$1.6 million province-wide increase in 2004-05. There are other areas in which they have received support. For example, this year our government is investing \$31.4 million in preschool speech and language therapy. That includes a budget increase of \$4.7 million as part of Best Start. KidsAbility will share in about \$855,000—that's their share of that fund.

They also are one of the IBI service providers in that region. They're a regional service provider, as in each region has a regional service provider, and their regional service provider is a centre called Erinoak. Erinoak looks at how the funding is allocated for their particular region. That's part of the central-west region. Central-west also received \$2 million of that \$10 million that was announced recently to hire more therapists for the IBI program. The additional therapists have been truly beneficial to the system, the additional 110 therapists that we talked about yesterday who have helped to provide support to 39% more kids with autism.

Just this past week, we actually announced additional autism dollars to the service providers, so this year's allocation will be 2.5 million in additional dollars, which will annualize to \$5 million in 2006-07. The central-west region, where KidsAbility would reside, will receive an additional \$500,000 this year, growing to \$1 million next year. That's intended to address getting more kids off

that wait list for services. I don't know what KidsAbility's share of that funding will be, but KidsAbility, as you said, has launched their campaign recently. They have a lot of friends, and a lot of them know my address, because I have been hearing from a number of them. They have also written to the Minister of Finance and others. They are very fortunate to have a representative like you. Sometimes I get letters from you, Mr. Milloy, that are longer than the letters that the stakeholders wrote to you, which demonstrates that you do a lot of work investigating these situations. I appreciate that.

In all these types of situations, we are striving to do the very, very best we can. I wish money was not so often an issue, because obviously our funds are finite. But if it were for the sake of the advocacy that's done for your region, I think other regions would be in a lot of trouble, because you do such a good job. Anyway, KidsAbility is a great facility, providing rehabilitative and even residential-type support. We're very grateful for their work and their commitment, and you're right in supporting them.

Mr. Milloy: Do I have more time?

The Vice-Chair: Certainly. You have a couple of minutes left.

Mr. Milloy: Thank you very much, Minister, and I look forward to continuing to work with you on KidsAbility.

The Vice-Chair: The personal dialogues—maybe we should be focusing the questions so that—

Mr. Milloy: I'm sorry?

The Vice-Chair: Personal comments are—maybe you should focus on questions as opposed to flattery.

Hon. Mrs. Chambers: Mr. O'Toole.

Mr. Milloy: Mr. Chair, that was a fine ruling, which obviously demonstrates your experience in being a Chair.

I'm going to switch to another stakeholder and talk about our local children's aid society. Again, it's an organization that has demonstrated a tremendous amount of local community support. I received just yesterday a leaflet for their upcoming Christmas fundraising campaign, which is always a huge undertaking in our community. There are all sorts of business and individual donations and support and lots of media attention. They're an organization—family and children's services is what it goes by in our community—that is doing a lot of good, but of course, as you know, the problem with our children's aid societies is that they've gone through this system of, it seems, annual deficits and funding problems. At the same time, I know that your predecessor started to look at children's aid societies and how they could deal with some of the issues surrounding funding so that it was on a much more stable basis. I had a chance to ask the minister last year about it. I'm going to ask you: Where are we in terms of the evolution of our children's aid societies?

1110

Hon. Mrs. Chambers: Thank you. We are actually, right now, in the throes of discussing their budgets and our transformation priorities and how we would like to

see them progress. They do good work. They do very important work. They're serving somewhere between 18,000 and 19,000 kids whom I would be concerned if they weren't serving, if you like.

We have emphasized that the safety of these kids will remain paramount as we, for example, move toward more permanent solutions for these kids. I mentioned yesterday that the average length of stay for a child in foster care is 22 months. It's not a very long time. Over 2003-04 and 2004-05—recent numbers that I have on adoption suggest that even though we're talking about 18,000 to 19,000 kids in the care of children's aid societies, we saw something like 880 adoptions. I'd like to see more of that. I'd actually like to see fewer kids needing some of the kinds of care that we're seeing in the child welfare system. We are working with them toward the sharing of best practices, a common information system wherever possible.

I think it's also important to know that we have added \$100 million this year to their budgets, so they're in the \$1.2-billion annual budget range. I think that we will continue to work with our children's aid societies in terms of the transformation agenda because they are key service providers, key partners, in the provision of care in the child welfare system. There are 53 of them around the province, including a few that are religious-based and aboriginal-community-based. They are integral to the child welfare system. But we may not have all the dollars that they would like us to spend based on how they function now. We need to take them to another level with us as we transform the child welfare sector.

The Acting Chair (Ms. Andrea Horwath): Mr. Milloy, you have about two minutes—maybe not quite.

Hon. Mrs. Chambers: Can I—

Mr. Milloy: Sorry; I was just going to ask a follow-up on the children's aid—

Hon. Mrs. Chambers: Go ahead.

Mr. Milloy: But you wanted to add something there.

Hon. Mrs. Chambers: I was actually going to ask if you'd let me spend some time on the aboriginal youth justice question that Mr. Berardinetti had asked.

Mr. Milloy: Why don't I then, with two minutes left—my colleague here didn't have a chance to have a response to that, on the aboriginal angle on youth justice issues, just to bring people up to speed.

Hon. Mrs. Chambers: Thank you very much for being so considerate. I need more than two minutes. However, one of the programs that's really quite exciting that begins this year is a program called Akwe. It's directed more toward aboriginal youth who are in urban centres, but in 2005-06 the total annual funding identified for that program is \$2.05 million, which includes \$500,000 from our youth justice division of the Ministry of Children and Youth Services. They're also receiving some of that money from the Ministry of Natural Resources, the Attorney General's ministry, the Ministry of Health and Long-Term Care and the Ministry of Citizenship. It's an exciting community-based kind of proposal.

Other aboriginal services that we have: aboriginal child care; an aboriginal stream for the Early Years chal-

lence fund; an aboriginal Healthy Babies, Healthy Children program; and a child nutrition program. We have supports specific to aboriginal child welfare, and we do some of that in conjunction with the federal government. We certainly focus in on their very, very critical needs.

The Acting Chair: That's great. Thanks, Minister. I'm now going to move to Mr. O'Toole. I'll just let you know that we're moving to 15-minute segments to take us to the lunch hour, after which we'll break for lunch for half an hour.

Mr. O'Toole: A couple of things. I've had time to look at a couple of the reports provided this morning, and I compliment the ministry on the autism update on programs and the number of children—

Hon. Mrs. Chambers: There's flattery.

Mr. O'Toole: It's very, very good.

Hon. Mrs. Chambers: Thank you.

Mr. O'Toole: Mine is actually genuine.

Hon. Mrs. Chambers: Oh, Mr. O'Toole. It's appreciated. Thank you very much.

Mr. O'Toole: We did the same thing. I think you're a wonderful minister, and that's on the record.

I do appreciate the questions about the children's treatment centre and am very encouraged to see that you see that the regional model in Simcoe-York might be a little bit more innovative in terms of what you've identified earlier as navigating the system. It presents challenges, often to young families that are looking to find how they access services. Anything you can do to help constituency office staff—some orientation there would probably be helpful through the regional offices, because quite often, if we can be helpful—we could be part of the delay itself. People, first of all, don't know who to call. They often call, if they're comfortable. Having a good representative member and the staff in those offices, we can be helpful to direct them, if not to a Web site, then certainly we can provide the information if it's on some information Web site.

I think it's extremely important. In fact, you're doing very much the same thing as the local health integration networks. Everyone will have a view on how to integrate those things and who the decision-makers actually are. But if you look at all of the programs from birth to six, and from there to 18, there's a whole need to look at regional coordination. I'm not trying to be smart here, except to identify that what you've said: Navigating the system creates challenges.

The specific question might be, has any thought been given to—birth to the grave in life and services is what we're looking at here, whether it's your ministry, the Ministry of Health—

Hon. Mrs. Chambers: Sorry, I missed that—any thought given to?

Mr. O'Toole: Integration of services, meaning that when you segment this delivery stream—you've taken great pains, our government as well as yours, with the early identification issue, assessment of new births, of children at risk. They should get a little map right at that point to sort of integrate them, if they've got a lifelong

condition that's going to affect the child and the family. Why aren't they integrated into the whole LIHN model?

You're right. There is a range of service providers like the CCACs or the access centres for community support. Those integrations are extremely important, and the more seamless, the better. If you've got case management systems that aren't communicating—and they'll have to develop these case management systems right down at the delivery level. We want seamlessness in the systems themselves. Has any thought been given to that?

1120

Hon. Mrs. Chambers: Absolutely. It's a very wise idea, and it does speak to the concept of focusing on the client: the child, the youth and their families.

Yesterday I mentioned that we have brought these pieces—and there's still more to come—from other ministries to create this Ministry of Children and Youth Services. But there is a very, very important next step as part of this work, and that is to make sure that we integrate services to the point where we can truly say that a child whom we first met in Best Start or child welfare or mental health services is actually recognizable throughout the system. That's one of the ways in which we will be able to do more prevention and early interventions. Quite frankly, if we had that right now, even in some of the individual sectors such as mental health or special needs, we probably would have more meaningful-looking wait lists. So we're working on a wait management strategy that would better reflect what the needs are out there. We know, for example, that if a family goes to one service provider and they're not able to get the services they need right away, they may go to several other service providers, which means that they're going to end up on several wait lists, which means we don't have an integrated service delivery mechanism even in that one particular area of service, not to mention across the system.

You mentioned the LIHN model, so you might be interested to know that we are in fact looking at the community care access centres and how we can—when I say “we,” I mean all government; it's certainly not mine to lead. This is an initiative of the Ministry of Health and Long-Term Care, but we are one of the parties to that work and we're looking at how the community care access centres can better align with the LIHNs and better align with the navigation and delivery of services provided for our children and youth through the Ministry of Children and Youth Services. So yes, you are on track in terms of what our thinking is.

I also appreciate your suggestion with regard to orientation of constituency offices on the services we provide and how to access the services we provide. I think we'll take that forward to our communications people in the ministry and see how we can do that more effectively. I seem to remember Ms. Horwath talking about that yesterday in relation to the screening—remember?—and some of the cultural concerns that we may need to overcome. While our screening is not mandatory, if more parents choose to accept the opportunity, it will be a

more successful program. So I do believe that there are opportunities to communicate—and communicate and communicate. It's amazing how many times I find that I can say something publicly and still find that there are people who don't know anything at all about it. Of course, if our constituents don't know, then they don't have the ability to take advantage of us.

Mr. O'Toole: That's a very astute observation in terms of the whole waiting list, whether it's for long-term care or—you know, they all have these waiting lists. Sometimes, whether it's housing or whatever, they're on probably every list they can think of. The person or the family needing the services probably is on every list they can get their name on, and quite often it makes it difficult to interpret the statistics of either waiting for assessment or waiting for treatment or waiting for a house or waiting for a bed or whatever.

I think the coordination and technology today, whether it's Smart Systems for Health or all this stuff—there's a fair amount of infrastructure that's being built and needs to be built efficiently. Whether it's Management Board or the infrastructure ministry that really looks at this to make sure that the platforms as well as the management tools that are being used, both in assessment and prioritizing service delivery, are not based purely on how long you've been on the list, but on the severity of the issue.

I've found that myself, in that sometimes the insurance planner in long-term care is in the same boat. I should be able to call the CCAC—in our case, it's Durham Access to Care—and then find out if there is duplication of services. I find that quite interesting; I really do. I don't think the CCACs are fully integrated yet in terms of community service. There are several service providers that aren't really linked into that, and often, it's contract issues that make that seamless transition difficult, because you have contract service providers that don't belong to certain organizations.

Hon. Mrs. Chambers: Approximately 70% are transfer payment service providers.

Mr. O'Toole: I guess the NDP had a model similar to the one—when we transferred money from long-term stays in hospitals to the community, it looked like we were cutting health care budgets. In fact, health care was going up \$10 billion over our term, and a lot of it went to the CCACs. I think the next step, of course, was whether or not you go with the regional model, which is what the LIHN is, really.

Hon. Mrs. Chambers: The Minister of Health is going to be really thrilled to hear that you like that, because that's what he's thinking, too.

Mr. O'Toole: The legislation is due, I guess, this session. They're going to have legislation on the model.

I'm just going to change a little bit, but I am staying on the autism, where you're making progress. A couple of quick questions: What is the estimated cost of an assessment for a child and determinant of their—a lot of times, parents have already had some testing at some centre. What's the actual cost of an assessment? You see,

30% are kind of rejected or not seen to be needing the service for each year.

Hon. Mrs. Chambers: I'm going to have the ADM, Trinela Cane, whom you met yesterday, come forward.

I want to start this discussion by ensuring that we understand that what we are talking about here is autism spectrum disorder. So what we are talking about are different levels of care, different types of interventions, and our commitment to this continuum of services that more accurately matches the continuum of need, hence the need for this consistent assessment process to determine the appropriate services.

Ms. Trinela Cane: Thank you very much, Minister, and thank you for the question. The answer to the question is not currently available to the ministry. I'd like to highlight, just in terms of the available data, that you will have in your package a very comprehensive review of statistics that we now prepare quarterly around, as you noted, Mr. O'Toole, waiting lists and a whole variety of other things. This actually represents a fairly significant effort on our part through our regional offices with our regional providers to actually provide that information on a very timely basis, and that is going to continue.

As we appeared last time before the standing committee on public accounts, it was noted that the ministry has some serious gaps related to data and data management in this program. This set of charts that you have in front of you goes some distance toward improving our information systems in that area, and that work will continue. Another piece of that is that, in terms of costs related to the autism program, we were not, as noted by the Auditor General, in a very good position to articulate specific cost elements and cost components in our program, which perhaps is a bit of a long-winded way of getting back to your question.

As we are looking at our various service components, we've undertaken a fairly major activity-based costing exercise, following our last appearance, as I said, at public accounts. We are looking at the individual elements of our service, including assessment. We have done some work with three of our larger service providers, not only to go back and look at the data from a much earlier year—we're looking at 2003-04—in the areas of the various components of service: assessment, supports to parents, the cost of IBI and dollars related to per-service hour costs. All of that has been analyzed for the 2003-04 year with our service providers that I mentioned.

1130

Our project is not completed. Activity-based costing is very significant and in-depth, and what we are now moving to do is to extend our sample to our nine service providers to identify the cost elements, including those related to assessment. So at this time we don't have that information, Mr. O'Toole.

Mr. O'Toole: I get the "no answer" on that and I understand, but I think it's about \$3,000 to \$5,000; that's the number I've heard. But I could be wrong. I've heard it, so I'm going to use it.

The last thing I want to get on the record—because my time has run out—is, didn't you look at options for persons needing long-term support on drugs? They have the seniors' drug program as well as the ODSP and the Trillium plan. There's a plan that's sort of income-tested under Trillium, but it's for pills and stuff. I'm often wondering why some of these treatments that aren't drug-related but are therapy-related aren't handed out the same way. Under the Trillium drug plan, you spend the first amount of money and the rest is covered by the government.

When you look at this individualized funding, I see that the direct-funding model is increased by 42%, which is a good indication that there is a more direct role with the family and the arrangement of care and their lifestyle—shift work and various things—when it's convenient for the family and the individuals.

Therapy, not just drugs—I think that therapy is far more valuable than drugs in many cases, especially children with behaviour issues and some of the information you get on that. Is there any thought given to looking at something like a Trillium plan for persons accessing direct services like therapies for autism?

The Acting Chair: Perhaps the minister can answer that next time, because we only have a few minutes left before our lunch break.

Mr. O'Toole: I'll just leave that on the books as a question.

The Vice-Chair: The Chair recognizes the third party.

Ms. Horwath: Well, thank you, Mr. Chairman. I wanted to follow up, if I can, really briefly on the subsidy model and just ask: Is there any chance that we can get a copy of the draft model that's going out to shadow the existing system and an idea of which pilot communities that draft model is being piloted in?

Hon. Mrs. Chambers: We are still working on the model, so as soon we have what we are going to be testing, that will be available.

In terms of the communities, we have been working with communities that have been able to provide us with the kind of detail that we need. Different communities have different information systems. Toronto and York have been able to provide us with a fair amount of detail on their current subsidies and their current desires, if you like—their wish list and their wait list and the kinds of demographics that their particular regions experience in terms of the child care environment. Those two regions are good candidates if you're going to shadow, because you need to have a control group so that you can compare what you are—

Ms. Horwath: So it's Toronto and York so far?

Hon. Mrs. Chambers: That's what we have so far.

Ms. Horwath: That's fair.

I wanted to ask about the Best Start pilots. You had talked about them a little bit in your opening remarks. I'm just wondering, in the general sense, have you learned any initial lessons in terms of the rollout?

If you don't mind, I'm going to be really blunt about what my concerns are as a pilot community, because I

think it's important to get this issue out in the public realm or at least on the record. I think that it's an important one. It's around the QUAD principles that the system is based on and how we're going to ensure that those principles actually show up in the final product as we go through the pilot development process in the pilot communities. Particularly, I think about the issues of universality and accountability.

I raise that because the pilot communities were chosen, in my estimation, specifically because each of those communities—and I think the minister mentioned that in her remarks—have characteristics that are important and that will help us learn in terms of how to roll out across the province. But considering that that's the case, I'm wondering what kind of assurances are being put in place to make sure that not only the local planning groups that are working on the details but also the programs themselves are going to be fully accessible in terms of socio-economic demographics, in terms of ethno-cultural and religious demographics. How are you, as a ministry, making sure that's being built in within the pilot system, and then how are we making sure that on-the-ground delivery is going to be able to have those principles reflected?

Hon. Mrs. Chambers: I'm going to ask you to allow me to have the executive director of the program speak about what she has seen from the demonstration sites.

Ms. Horwath: Sure. And if you don't mind, it would be helpful if there were any written guidelines or any specific written directives that indicate that these pieces need to be in place.

Ms. Livingstone: We actually have quite extensive guidelines for all of the communities participating in Best Start, for what we call our phase one communities, which is the entire province participating in the expansion of child care. In addition to that, we have quite detailed implementation planning guidelines for our demonstration communities, and we can readily provide those to you.

In those guidelines, we are explicit in asking communities in their Best Start networks to identify in their plan how they're meeting the needs of their local communities: We ask them to identify the data sources that they're using to understand the demographics for those communities that have the opportunity of the early development instrument data; we're asking them to tell us how that's influencing their recommendations around their plan. In addition to that, we're asking them to be explicit about how they're meeting the unique needs of their community—in particular, how they're meeting the needs of francophone communities, aboriginal communities and children with special needs, so that we can understand and see in the plan how that's going to play out. For example, in the demonstration community, how are those children going to access the Best Start hubs that each of these communities are planning for?

That's the planning framework. Those plans for the demonstration communities are due into the ministry at the end of October. I can tell you that these three com-

munities—I've met with all of them. As recently as last week, I was up in New Liskeard. These communities feel they've had a tremendous opportunity, and the enthusiasm and willingness around the tables is quite something. They're meeting weekly, all day long, to try and meet our deadlines and really to try and make it meaningful, because they feel they've been given a tremendous opportunity to do something good for their communities, so there's an awful lot of goodwill around the table. In addition to that, I would be remiss if I didn't highlight that another important part about Best Start is engagement with parents. It's an explicit requirement in our guidelines, not just for the demonstration communities, but also for our phase one communities. The Best Start networks have to tell us how they're doing that. We want to hear the parent voice so that those plans ultimately reflect what parents in the community would like to see happen.

That's the planning framework. The accountability framework then comes with—in addition to what and where the things are going to be, they need to highlight who's going to do what in each of those plans; who's responsible for the delivery of what component. The ministry will then use our accountability mechanisms, like our service contracts and budget process, to make sure that what's said in those plans actually plays out on the ground. We're working in partnership with our other ministries around this because one of the other major differences about Best Start is that this is a strategy that brings together services that have not traditionally planned together—like education, social services and health—coming together under one. So we're having to work with our partner ministries around the accountability aspect as well.

1140

Ms. Horwath: That sounds very good. There are a couple of questions I have around that, though. In my mind, there's a difference between identifying through data and demographic data that these various realities exist in the demonstration communities, if you prefer that word—there's a difference between actually being able to write down, “Yes, we acknowledge these groups exist,” and so therefore that's acknowledged and that's put in as an underlying reality of the community; it's quite a different thing to purposefully and in a concerted way ensure that those community's needs are being addressed. I raise it because I just fear that the same thing is going to happen that has happened so many other times, when you don't have all the voices around the table.

Honestly, I know that there are a lot of great people working right now in communities, and I certainly don't want to say that I don't respect them in great ways, because I do, and I know they're working very hard. But I also recognize that a lot of these pilot communities were based on existing networks and networks were added into the existing Early Years groups, about which, again—and I'm going to be really blunt about it—I've heard criticisms, from our community particularly, that they didn't reflect the community they were serving. And

so if you have a group of people planning, who will acknowledge in writing that there are demographic challenges but then don't have those voices at the table to really dialogue about how these issues are going to be addressed—then we say the accountability piece is making sure the parent voice is being brought up. But then the issue becomes, the parents who are usually most able, most willing, most literate, have the most time on their hands, are more, let's just say, socio-economically situated to be able to respond and have a voice, and are the very ones who again don't necessarily reflect the demographic that we would hope would be served in really important ways through Best Start.

I don't know if you're getting where I'm coming from in terms of these concerns, but I really feel that there's an important piece. I know the written guidelines exist, because we actually met, and I've got a copy of those. But I'm still not satisfied. I still need to be reassured that those very difficult things are actually going to be made into a reality.

Hon. Mrs. Chambers: I'd like Lynne to talk about how the pilots are engaging local communities and local stakeholders.

Ms. Livingstone: You'll know, if you've had a chance to go through our guidelines, that we're also quite explicit about the great number of partners that need to come around the local tables. It's an expectation. In order to make that happen and feel some assurance on our level, we've actually asked to see the terms of reference and network membership for each of the local Best Start networks so we can have some assurance that the folks that need to be around the table are. It looks different in each community. We haven't told communities how they have to do that; this is a community-driven model. What we've said is, “Show us how you're engaging those folks and how those partnerships are working.” I know for a fact that in Hamilton they have a committee of over 50 stakeholders who are participating in that in an effort to be as inclusive as possible. Will they miss someone? I don't know, but certainly they're taking great pains to be as inclusive as possible.

One of the things that we're really wanting to understand through our demonstration communities is what the best vehicles are to engage the parents in a meaningful way—exactly to your point. We know that there are the traditional means of inviting parents to participate at forums, having focus groups, those kinds of things, but we also know that that doesn't always get to the direct parent voice. We're asking the demonstration communities to be innovative on that front: Go to where the parents are, show us the way on some of those strategies so the rest of the province can benefit from their experience on how they're going to do that. I know that each of the three communities is using a variety of different approaches to try and get that real parent voice. We're fortunate in Ontario that we now have other mechanisms to get the young parent voice, because we have Ontario early years centres and those kinds of places to go to where those parents are and hear what they have to say.

Ms. Horwath: How much time do I have, Mr. Chair?

The Vice-Chair: You have one minute left.

Ms. Horwath: OK. If I can just make a comment rather than a question in that last minute or so that I have, I think it's really incumbent upon the government, in terms of creating this new system, that we think not only of the parent voice, the real parent voice, but the diversity of parents' voices that need to be heard to ensure that this service is meeting all of the children's needs in the community. I think if we don't do that, we are not going to be successful in reaching our QUAD principles.

With that, Mr. Chairman, I'll just give you a quick flag on where I'm going to go next.

I just wanted to know whether you have any hard figures on the college of early childhood educators, when that's happening and whether you have some dollar figures on how much is going to be allocated to that effort.

The Vice-Chair: Very briefly, please.

Hon. Mrs. Chambers: We actually have a panel that's working on the college of early childhood educators file. There are consultations that are about to start this fall. There's a working group in place looking at this, and the objective is for them to recommend a conceptual model for us. We are expecting that we will have the benefit of those submissions over the next few months and that we will be able to start work very shortly after that on that submission.

The Vice-Chair: Thank you very much for that. Research has asked me to make sure that you provide the Best Start guidelines to the committee so that they can file it with the record here today.

With that, we change now to the government side. The Chair recognizes Mr. McNeely.

Mr. Phil McNeely (Ottawa-Orléans): Thank you, Chair, and thank you, Minister. I wish as well to add my words of congratulations to you. It's great to see a very caring minister in charge of child and youth services.

The first question I have would be a follow-up to the one on children's aid societies that John Milloy asked. I would also like to say that I would like a five-minute warning so that we can switch to Mr. Flynn for the last five minutes.

I read the report on the children's aid societies some 18 months ago. I happened to be back in my Ottawa office. But I got some appreciation of the challenges, the costs—\$40,000 per child almost—the deficits, the pressures that are there.

I met shortly afterwards with a family law lawyer from Orléans, and I asked her what the single most important step would be to keep kids out of the CAS. Right away she said, "Provide for more open adoption." As you know and as we know, what's happening in many cases with young single mothers is that they can't face the finality of giving up a child. She knew then that agreements were being made—I'm not saying that she was making up the agreements, and I'm not sure what the law was on it—that were providing then for more open adoption.

With Bill 210 coming through, this is, I think, the direction our government is going. I'm glad to see today in one of the documents, "Voluntary openness in adoption is already common in private adoption and with a growing number of children's aid society adoptions in Ontario."

That was the information we got from you this morning. What are not all CASs giving more children a chance by adopting a more open adoptions policy?

Hon. Mrs. Chambers: Thank you very much for that question. There is no question that we are going to be encouraging more of that. I mentioned yesterday that some children's aid societies just have not given adoption the focus that they need to give it. In reviewing budgets and transformation etc. of the child welfare system, what we are committed to is ensuring that the very best opportunities are provided for our kids. That permanence opportunity is very, very important.

This may sound kind of frivolous, but when I looked at the 22-month average for the length of stay for children in a foster home, I thought, this sounds like a cabinet shuffle type of time frame—and what it did to my summer, having to get up to speed on a brand new file. So can you imagine what sort of adjustment types of challenges our kids must go through when they're moved around? They start out being in that system because they need help to start with, and then some of what's happening with them is probably just not ideal for them. So we are determined, on Bill 210, to make adoption easier.

1150

But we have a particular focus, and our focus is the family setting: kinship, relatives and communities that these children will be more familiar with. We also respect the challenges that some birth parents may have in terms of their own personal challenges and personal issues, and we will respect those. But ultimately, as I said earlier on, in this ministry, it's children and youth that we care about and how we can support their families. So I'm looking forward to Bill 210's safe, secure and timely passage so that we can do more for kids more easily in the adoption area. But certainly, with the work that's going on right now in reviewing their budgets, my ministry officials are working on the kinds of outcomes that we are trying to encourage and how we can support those types of outcomes in terms of the measures of success that we define for our societies.

Mr. McNeely: Thank you. The second question is on mental health. One of the things that groups told me was that a lot of the mental health dollars were being spent in institutions rather than in the community. I think about 10 years ago there was a trend to go from 70% institutional to 30% institutional and have the rest in communities, and Ottawa has lagged behind the rest of the province in that. That's what the groups told me, and I think that this is true.

But I was very pleased to make announcements. I was the caucus member from Ottawa that made announcements in my riding for several initiatives. One of them is a centre for excellence for mental health at CHEO, which

is very important to us. It is a group, I think, that is looking to try to have the holistic approach to mental health care that we really need.

Parents have come to me as well—one in particular. She was a nurse and her husband was a doctor. Somehow they missed the signs with their child, and the first time they used the system was for an acute care bed at the children's hospital for a youth that had anorexia. So it's very important that we see the dollars getting out to communities, and I think that that's the case with our community as well. I just want to know, is this going to be a continuing trend with your ministry?

Hon. Mrs. Chambers: Yes. I think it's really important to recognize that our communities know what they need. CHEO, of course, is wonderful, and that's a long-term view on life. The research work is really important, and other hospitals, of course, like Sick Kids in Toronto, are working in partnership with CHEO, but CHEO is really the centre of excellence for youth mental health for Ontario. We are providing \$5.9 million for that program this year.

You talked about other community supports. In other words, before we would get to acute care, what can we do for our kids? I'm pleased to tell you that there are three exciting programs. You know about these, certainly, because I'm sure that you're familiar with these announcements that you mentioned.

Communities That Care works to address the risk factors for children and youth in the community by bringing community partners together to offer mentoring and work-school programs and extracurricular activities. It's funny; it sounds much like what Mr. Berardinetti and I are supporting and advocating for kids in Scarborough. So I'm really glad that this is happening in Ottawa at the Crossroads Children's Centre, which serves children up to the age of 12 and their families who are having challenges functioning in the home, school and community environments due to behavioural or emotional-type challenges. There is in-home intensive support involved in that program. Then there is St. Mary's Home, an early intervention program fostering healthy attachments between babies and their young teen parents. We support that program as well. This is all part of our investment of about \$462 million in mental health programs, including that increase that I talked about, the \$25-million going up to \$38-million increase for retention and recruitment of mental health workers, as well as the addition of about 113 new programs and the expansion of about 96 existing programs. So there's a lot of activity in the mental health circle, and I'm glad that Ottawa is enjoying some of that work.

The Chair: Thank you, Mr. McNeely.

I'd like to recognize Mr. Flynn now.

Mr. Kevin Daniel Flynn (Oakville): Thank you, Chair.

Let me extend my congratulations and those of my colleagues, Minister, on your appointment. You'll do a wonderful job.

You'll know I have a strong personal interest in the issue of autism. I realize that some questions have been

asked and, unfortunately, I wasn't here to hear some of the answers. So if I'm repeating some of the questions, please be patient.

The Autism Society in Halton is a very unique group of individuals that I've come to know, and they have been able to explain to me how it feels to deal with autism on a daily basis. They're a co-operative group; we've had some very good meetings with them—I have, certainly. They've raised things like IBI treatment, aging out, funding education in autism and behavioural science, for example. Special assistance grants for therapists is an issue they've raised with me. As a group, they go out every year and raise funds themselves for research. They're a very active chapter. It's a very challenging issue for all governments; I understand that. There seems to be an increasing identification of autism in our society these days, so it's an increasing problem that needs to be dealt with.

In the short time remaining for the government side, could you give me some sort of a summary as to what type of progress we've been able to make over the past year and what sort of progress you anticipate we'll be able to make in the upcoming year?

Hon. Mrs. Chambers: We are making progress, and we will continue to work hard at doing more, because there is a lot to be done. As you say, the numbers seem to be growing. But one thing I should mention to you is that one source of that growth, in terms of children waiting to be assessed and/or provided with therapy, can be attributed to the fact that we are not aging out kids. In response to a query yesterday, we brought in guidelines that have been distributed to all the regional service providers, telling them that their direction is to assess all kids in a consistent fashion to determine what kind of care they need on this continuum of services for autism spectrum disorder.

As a government we have invested an additional \$24.5 million in 2004-05 to expand services for children with autism. We have subsequently announced other additional dollars, including the very recent \$5-million announcement that I made reference to earlier on.

We are making progress. We are in fact providing therapy for 39% more children, as of June of this year, than we were doing in April 2004. Prior to removing the age factor, we had actually reduced the waiting list for assessment by 79% as of the end of June, and that was since April 2004.

1200

I spoke yesterday about what I consider to be really exciting work in terms of building capacity. This month we have started a new college-level program on autism and behavioural services that involves nine colleges all around Ontario. One of the things we have to remember is that these services are needed everywhere in the province. This was something I actually worked on with my predecessor, Minister Bountrogianni, while I was Minister of Training, Colleges and Universities, to establish this program in colleges around the province. There are about 100 students enrolled in this program now. It's a

two-semester program, so the first cohort will graduate in the spring of 2006. By 2008, we expect to have 200 students in that program: two semesters, full-time, part-time, on-line opportunities, two field placements, 12 courses. These individuals will qualify to apply for positions as instructor-therapists who work one on one with the kids who need this kind of care. Right now, we have about 537 instructor-therapists in the system. So just think, we're talking about in the spring, just from that source, probably a 15% increase in the number of instructor-therapists, and then doubling up on that cohort in subsequent years from graduates from that new program.

So we're doing a lot of things on a short-term basis, but we are also thinking longer term from the perspective of the need to build capacity. I encourage you to help me get the message out that we have distributed updated guidelines that say that age is not to be a factor in applying the guidelines that previously existed.

Mr. Flynn: So the old age of six simply does not exist any more?

Hon. Mrs. Chambers: We have sent out those guidelines to our regional service providers and there are copies here for this committee.

The Chair: I'm going to recognize Mr. O'Toole and then Ms. Horwath. Then at approximately 25 after, I'm going to ask the minister to do her wrap-up statement, if she so chooses, and then I'll walk through the estimates. If I have concurrence from the committee, I will proceed. Agreed? Mr. O'Toole.

Mr. O'Toole: Thank you very much, Minister. I've certainly enjoyed the candidness of these estimates discussions and the response to the questions that have been tabled.

I have two questions—basically one, and the related is the question I had asked and you had provided responses to, specifically on the CAS, the cost. It's my understanding that there are about 19,000 children or something in that—

Hon. Mrs. Chambers: In care?

Mr. O'Toole: Yes, and it's roughly around \$39,000 per child in the report that I've been given this morning. I gather that's what it costs, and that's interesting. Again, on top of that, is the aspect of the legal costs. That's actually part of the cost. Usually those costs, according to what you've put in your report here, reflect in the Ministry of the Attorney General under salary and benefits, and they're shown here as services, almost like a service provider, I gather. I am certain the \$64 million for legal services is basically dealing with more issues than just these 19,000 children in those cases, but those are large amounts of money.

The second question is—you'll see how they're related—deals with the point that Mr. McNeely raised, which is the open adoption process and the fact that—I'd probably support that. If there's a family member—you and I mentioned off the record yesterday a particular case that's in the media. It's not a good example; but certainly where a single mom has a child and would maybe be

comfortable that the parents took the child and maybe officially, legally adopt it. My point is this: Often it's economics, at the end of the day. If this family had the \$40,000, they could raise the child, or the individual could raise the child. Yet we'll pay some process to take the 22-months' respite. My question is, is there going to be any transfer of funds in the transitional way for the adoptive family?

Think of the case of parents. I'm a parent with five children. Most of them are married, and hopefully, they all stay together forever, but I'm not in charge of all that. I could end up with another family, and I know people in my riding very well who have become custodial parents. It's actually been generally a good experience. They generally tell me that they've been made to feel young again out of necessity, because they're chasing somebody down the soccer field, technically.

My point is that, with the legal costs, the 19,000 children for whom we're trying to find some stability in their lives, the \$40,000 per year, you're getting into the \$3 billion that you're talking about here. Is there going to be an opportunity—I would say on the record that I would probably support that—to provide, in the cases of adoption, support in transitions for those adoptions and that process, for someone to not just take on all the responsibility with no financial support, to be blunt? Why not give them some of that \$40,000?

Let's face it. I'll give you an example. When a parent is deceased, the children are entitled to a death benefit from the federal government. It's permanent; it's for life. I'm not sure—it's \$300 or \$400 a month per child, as long as they're in school. That's what I'm saying in this case here. You could assign a benefit to that child under a similar format, legal and all the rest of it, to help the grandparents or the other family member or, in fact, the single mom or single whoever, who really has passed all the tests of legitimacy and validity and blah, blah, blah. There are many successful single-parent families today who have the resources to manage. I could go on and on, so I'm just using the time here. The Early Years centres and the Best Start program, all those supports could be put in, bundled around this child to achieve the goal, which is permanent stability in their lives, as long as there are some supports there.

Hon. Mrs. Chambers: Let me take some of your time to address that issue.

Mr. O'Toole: Take Andrea's time.

Hon. Mrs. Chambers: OK. Thank you. I think it's really important sometimes for us to separate the money side of solutions from what we're actually trying to achieve. I think it's very important for us to determine what we're trying to achieve, and then to look at ways in which we can achieve those objectives.

One concern that I have is anything that would sound as though we're actually trying to commercialize adoption. That's not what we're trying to do. We're trying to find permanency for kids. We're trying to find stable environments for kids. Many of the kids we see in the child welfare system are not in the child welfare system

simply because their parents are poor; they're in the child welfare system for reasons of protection. In fact, some of them end up being society and crown wards through court directions. So I think we need to be really careful if we think that solutions are always just about money. I think that's potentially dangerous.

What we do talk about is making sure that where there is support required, we look at how we can help kin or family members provide that support. We do that to a certain extent right now, and we're looking at how we can do that more effectively. But I would not want it considered the appropriate solution that, because you're going to adopt a child, we're actually going to give you the money to look after the child, because there are a lot of birth parents who need help as well in keeping their kids. They're struggling. They're working at multiple jobs. They're making very significant sacrifices in order to do that.

1210

Mr. O'Toole: Minister, that's an extremely important observation. I guess that if you look at some of the dilemmas they're facing, a lot of it is a lack of access to resources in these individual cases where there's—

Hon. Mrs. Chambers: But their children don't necessarily need protection. They may not end up in the care of a children's aid society, because the issue is poverty; it's not protection. I think there are support systems for both those types of situations, and I would really be worried about confusing the two.

Mr. O'Toole: The way the federal system works, if the transfer payment, which is universal under the death benefit plan federally—the money is flowed, but it's actually clawed back through income tax rules. There's an economic threshold where if it's helping those in need, they get to keep the money. If there isn't any economic need—so it's not discriminatory; it's universal. That's what I'm saying.

There are tests for legitimacy, which I think the courts and others will decide on. Adoption for economic reasons: I completely concur with your point. But the economic argument doesn't stand the test because, through law, it can be clawed back as taxable income and that will work its way through the system.

I do think that we're committed in the other mindset to the \$40,000 a year for life for that child and needing other supports growing out of that situation, I suppose. I just—

Hon. Mrs. Chambers: Actually, it wouldn't be any amount of money for life, because children do not remain in the care of children's aid societies for life.

Mr. O'Toole: To eighteen.

Hon. Mrs. Chambers: Again, I want to emphasize a few principles. Principle number one is the care and safety of our kids. That's principle number one. Principle number two is that we will do whatever we can to remove barriers that stand in the way of permanent, stable solutions for our kids. I am going to look forward to your support in the smooth and quick passage of Bill 210 so

that we can do good work for our kids, because I know that's what you want us to do.

Mr. O'Toole: Exactly. Thank you. Do I have more time left?

The Chair: Do you really need it?

Mr. O'Toole: That's sort of a rhetorical question. It's about filling time here.

Hon. Mrs. Chambers: Mr. Chair, I may help him use up one more minute, if you don't mind? Mr. O'Toole had asked about direct service funding for autism, and I want to just remind you that the guidelines document, which is probably in your possession now, might be helpful to you in reviewing the options that are available to your constituents for direct funding and the process that they need to go through to get that.

Mr. O'Toole: I see that it's up to 43% now, so that's good.

Hon. Mrs. Chambers: There's good work happening.

Mr. O'Toole: Oh, yes.

The Chair: If I might just ask a quick question, Minister: The monies that were transferred from your ministry to the Ministry of Education for the autism support for teachers, is that a line item, still, in your budget? What is the amount of that in year two?

Hon. Mrs. Chambers: It's \$32 million.

The Chair: It has grown to \$32 million annually?

Hon. Mrs. Chambers: Yes.

The Chair: That is going to school boards—

Hon. Mrs. Chambers: The consultants in the schools.

Mr. O'Toole: It's a transfer of service.

Hon. Mrs. Chambers: We have 162 now, I think, and we are on target to get to 194 in the spring of next year.

The Chair: I would like to pursue that a little further, but I'm going to yield to Ms. Horwath, because the Chair shouldn't be asking questions.

Ms. Horwath: You had your chance, Mr. Chairman.

I actually wanted to ask a couple of questions around children's mental health, particularly around the model currently—again, my understanding is that this particular system is in a bit of a crisis and that there's work being done to address that. If I'm not mistaken, I think there is some expectation within the system that there are going to be some changes announced, hopefully fairly soon, in regard to systemic changes.

Currently—and I have to confess that I'm not intimately aware of all of the provision of service that occurs within children's mental health—but is it fair to say that there are private-sector and public-agency-type beds that are being provided to children with mental health concerns? If that's the case, do we have an understanding of the average per diem rate for the agency-funded-type beds versus the private beds?

Hon. Mrs. Chambers: I'm going to tell you what I know, and if there is more to be added, I'll ask a ministry official to come forward. The rates are actually determined by the ministry's regional offices, and they are determined on the basis of the system, the nature of the care, the average paid-for beds. We actually have a review that's currently on the way on residential services,

and we should have that report by the end of this calendar year. Certainly, it's fair to say that the rates are pretty standard but will vary based on the type of care. With that, I'm going to ask Trinela to come forward and give you a little bit more of the gory details.

Ms. Cane: Thank you very much for the question. The minister is absolutely right, as always, with respect to residential services. You asked a couple of questions, and perhaps I could clarify. We do have a mix in our residential sector of per diem operators and transfer payment agencies. A percentage, a majority, of the per diem operators is in fact for-profit operators as well.

I must say that, with respect to our client populations in children's mental health and child welfare, all of our service providers have performed very well for us and, I think, play a very important role in residential services. Given our service capacity and other issues, we have appreciated that.

With respect to per diem rates, they are negotiated, and with respect to services provided by transfer payment agencies, are negotiated with our regional offices.

As the minister points out, there are base rates paid, and probably averages in the range could be \$100 per day, up to \$500 a day for the most severe and complex cases. So on a case-by-case basis, the rates are different for the various service providers that are dependent on the client population being served, the needs of those clients being served, and any exceptional services that must also be provided.

Ms. Horwath: Thank you. I wonder if I could get a breakdown of the children's mental health budget, insofar as the residential care piece indicates the ratio that's the per diem versus agency transfer, and then, even with the per diem, the ratio that's private versus not private or agency-based.

Ms. Cane: We have that information and can make it available to you.

Ms. Horwath: That's very helpful. I appreciate that.

I'm curious about some of this information, because as we go through the process of transformation in this area, I'm really interested in watching if any of those pieces change in terms of the mix and all of those kinds of things.

Two other issues, if I can raise them: One is, I understand that there was some proxy pay equity-type of settlement a couple of years ago. Whether or not that's looking to be funded over time or whether that funding is dried up, where are things going with that piece?

Ms. Colette Kent: I'm Colette Kent. I'm acting ADM of the business planning and corporate services division.

As you know, we did sign a memorandum of understanding with five unions. We're just at the completion of the payment of that agreement. So it ends in December. We're currently working with our colleague ministries—the Ministry of Community and Social Services and the Ministry of Health—to look at the financial pressures on agencies, and we'll be looking at that as we work through our budgets for the next year.

Ms. Horwath: OK. So in the current estimates books that we have, the funding exists up until the end of this calendar year?

Ms. Kent: That's right.

Ms. Horwath: Has anything been built in to cover off January to March 31?

Ms. Kent: Not at this time.

Ms. Horwath: No? OK. Can I just ask, just in regard to—and this is not a pay equity issue—the overall transformation of the system and the movement away from the previous making-services-work-for-people kind of model and going into the overhaul, what's happening there, my understanding is that there's been quite a bit of consultation that's bringing us along that path. I'm wondering if there's any list of stakeholders that you would be able to provide that indicates who has been consulted in terms of the transformation of the system.

1220

Hon. Mrs. Chambers: We actually have three primary associations that we work with. I'm going to need help on this, because I'm starting to remember mnemonics and not remembering what they stand for. One is the Ontario Mental Health Association—

Ms. Cane: The Ontario Association of Residences Treating Youth.

Hon. Mrs. Chambers: And the third one—and I'm forgetting even the mnemonic now—they're also involved in the residential services review. Do you remember the third one?

Ms. Cane: We have Youth Justice Ontario and the Ontario Association of Children's Aid Societies.

Hon. Mrs. Chambers: That's it. It was the Ontario Association of Children's Aid Societies that I was trying to remember.

Ms. Horwath: Mostly at the corporate level, or are you getting any input from more or less the front-line service deliverers?

Hon. Mrs. Chambers: Do you want to respond to that, Trinela, please?

Ms. Cane: I'd be pleased to. We're actually doing a series of discussions across the province, some of which have already been initiated through the centre of excellence at CHEO that was mentioned previously. They have engaged, as part of their process, with our support, front-line service providers, researchers and experts in the field, which has been very helpful, and we'll use that information as we go forward on the discussions on the children's mental health policy framework. We'll also use the advisory committee at CHEO, which includes people like Judy Finlay, the child and youth advocate, and the group of parents and youth who have been affected with children's mental health issues will be part of that.

The consultation process that we're engaging in: We're helped by Children's Mental Health Ontario, our key partner, and we will be engaging parents and youth as well as front-line service providers and our umbrella organizations. So we're working on that.

Ms. Horwath: That's excellent. If I can just wrap up with two concerns that have come to light in my delving into this area: One is, apparently the situation exists in Ontario that there are no residential treatment facilities for young women with eating disorders, and in fact people are sent to the States or other jurisdictions to have treatment in that regard. I'm just flagging this as something that I would hope you would look at in the future, Minister. My understanding is that it's quite costly to send these young women to these facilities, and then, of course, you're pulling them away from their support networks and their communities. If I can ask you to look at that, I would really appreciate it.

The other piece that I've been alerted to—and it's probably because I actually come from a community that has a regional centre for mental health, which is in Hamilton—is that there are serious gaps in the availability of emergency mental health treatment for young people. I've heard some horror stories about a young person being turned away at emergency and being sent back to Niagara after a 45-minute ambulance ride, and that young person actually didn't make it, ended up taking their own life after not being able to get treatment. Again, this is not an accusation; this is a request that you really look into the availability, because when young people are brought into an emergency room, my understanding is that they compete, then, with adult mental health, particularly in large urban centres. An urban centre like Hamilton, for example, as a regional mental health centre as well—we have significant numbers of people with mental health issues in our community. The likelihood of our emergency department being full up in terms of its availability to take young people is high, so I would just be putting that on your plate, if you will, and seeing if there isn't anything in the hopper to address those two issues.

Hon. Mrs. Chambers: Thank you.

The Chair: Thank you. Minister, perhaps you'd like to sum up briefly.

Hon. Mrs. Chambers: Mr. Chair, before I do some summing up, I'd just like to finish the response to your question about the funding of the school consultants, and where that money goes. It does, in fact, go through the regional autism service providers to fund those consultants, as opposed to going to the school boards.

The Chair: Yes. Are there any other incidences in your estimates where you're transferring to another ministry?

Hon. Mrs. Chambers: Do we have transfers to other ministries anywhere else? I am told no.

The Chair: Not to your knowledge, OK. Thank you very much.

Hon. Mrs. Chambers: It's time to do some wrap-up. I was originally led to believe I had 20 minutes to do so; I am not going to use 20 minutes to do that. Let me simply say that this has been a very useful experience for me. I want to thank all of the committee members for sharing with me the insights that you have brought to the table. It's probably obvious to you that I am in learning mode

here, and I'm trying my best to get up to speed very quickly. I've actually found this discussion to be helpful, and will take much away from this discussion, to the benefit, I hope, of the work that we're doing in the Ministry of Children and Youth Services.

I was actually struck by much of what I heard that is so in line with where we think we need to take children and youth services. I'm really pleased that that work has begun. I'm also feeling that my ministry officials are fully committed to this transformation, and working in the direction that we feel we need to go in. As I've said before, we have many service providers:

—We have many stakeholders in mental health.

—We have emergency supports in 17 hospitals. Maybe that's not enough; I don't know, but it's certainly something we need to explore further.

—We have about 250 agencies involved in mental health service delivery.

—We have about 70% of our budget going to transfer payment service providers.

We have some challenges, as you can imagine, in coordinating how those service providers interact with our children, youth and their families. It's really important for us to work toward this integration and this transformation of the system, so that a child or a family that needs care doesn't end up having to knock at several doors because they feel that's how they have to function in order to get attention.

We also need to make sure that our child welfare system is not simply a funnel to our youth justice system, or our special needs programs are not simply a series of waiting experiences or multiple assessment type of experiences. We know there is work to be done in this area, and what we are doing is basically reflecting the Premier's and our government's priority on children and youth services, demonstrated by the fact that this ministry was created two years ago for this purpose.

The challenges are great. There is a lot of need, a lot of demand for service out there. There are opportunities for our stakeholders to probably work together more effectively as a system, as opposed to just several service providers. There may be some resistance, perhaps, when we say to individual service providers, "Well, you know what? It's not good enough that you do what you do on your own. You are going to have to work in a more integrated fashion with others who are providing complementary services," if you like. But I do sense among the stakeholders that I have been meeting with and getting to know that there is in fact a commitment to our children and young people and their families.

So I consider it a very serious challenge, an undertaking and opportunity that I do not take lightly by any means, to do the work that needs to be done in this ministry. I know it's far more emotionally charged than my previous portfolio was. I was really pleased with the work I did in that portfolio, but I have to tell you that, I think it was the first weekend after I got this portfolio, I was in a department store and there was a mother and her autistic child shopping very close to where I was, and my

heart started pounding. I thought, as much as I loved college and university students, they were never able to do that to me. Right away, I knew I was going to be in a different kind of ministry. It's certainly something that I am passionate about, and I'm going to do the very, very best I can. I feel well supported by the staff in my minister's office and in my ministry in the work that we have to do. It's going to take time and it's going to take resources, time which I know means a lot to families. Something that might take us a year to develop is a lifetime to families who are waiting for care. I can simply commit to doing the very, very best we can on this file, because this is what we need to do for our children and youth and the families that we are here to care for.

I appreciate all of your comments. I look forward to ongoing discussions with you. I was really pleased to find that there is so much that we have in common in terms of our interests in serving this population. So thank you very much.

The Chair: Thank you very much, Minister, and to you, Deputy, and all of your staff who have been here throughout these estimates. I won't restate the comments I made earlier about how much this committee appreciates the forthright manner in which you have presented information for us, but it's very much appreciated.

I will now ask the committee to vote on the estimates for the Ministry of Children and Youth Services.

Shall vote 3701 carry? All those in favour? Opposed, if any? Carried.

Shall vote 3702 carry? All those in favour? Opposed, if any? That is carried.

Shall vote 3703 carry? All those in favour? Opposed, if any? It is carried.

Shall the estimates of the Ministry of Children and Youth Services carry? All those in favour? Opposed, if any? That is carried.

Shall I report the estimates of the Ministry of Children and Youth Services to the House? All those in favour? Opposed, if any? That is carried.

Thank you, Minister.

We now have a small matter I will share with the committee members. We had a prior arrangement with Minister Ramsay to begin at 2 o'clock. His plane has been delayed in Sault Ste. Marie. So we are going to adjourn until 2 o'clock. It will give me the next hour and a half to sort out how we can proceed. But we will recess now, to reconvene at 2 o'clock this afternoon.

The committee recessed from 1234 to 1405.

MINISTRY OF NATURAL RESOURCES

The Chair: Good afternoon. I'd like to welcome everyone. We've reconvened to commence the estimates of the Ministry of Natural Resources. I have a couple of quick announcements to make. Members should be aware that Minister Ramsay, the Minister of Natural Resources, was in northern Ontario earlier today to make an announcement. By prior agreement, his plan was to be here to participate in the estimates at 2 o'clock. Unfor-

tunately, his airplane sustained some damage and was forced to land. The minister and his crew are safe and there are no problems there, but he will be unable to attend this afternoon. I have spoken with all three party whips and with the minister, and we have agreed, albeit it's a bit unusual and, for the record, will not be precedent-setting, to an accommodation to assist a minister, two critics and a government without disrupting the work of this committee.

With the indulgence and unanimous support of the committee, we will call upon Deputy Minister Gail Beggs to read into the record the opening statement for the ministry—that is fully compliant with our House rules. Norm Miller will be allocated an hour and a half for questions and/or the customary one half-hour opening statement; it will be his time to use as he chooses. On Monday when we reconvene at 9 o'clock, we will lead off with Mr. Bisson, who will have his half-hour on behalf of the third party, and Minister Ramsay will begin at 9:30 with his allocated half-hour of rebuttal and response. Then we will begin a rotation that will adjust and acknowledge the amount of time Mr. Miller has taken, because he has an important engagement in northern Ontario that he has committed to for some time. We will conclude by 4 o'clock on Monday and complete the estimates of natural resources so that we can begin a new ministry on Tuesday.

I'm hopeful there are no questions, but a quick, brief comment would be fine.

Mr. Gilles Bisson (Timmins–James Bay): Just quickly, we're going to do this to accommodate our good friend Mr. Ramsay, given the circumstances. These things happen. I just want to say, if I had been flying the plane—it would have been my Lark—it would never have happened. And it if had been in Norm's plane, it would never have happened to him. We're the two pilots here.

The Chair: The main thing is that Minister Ramsay is safe, and he appreciates the committee's accommodating his inability to be here today.

If there is no objection, I will take that as unanimous direction.

I would now like to introduce Gail Beggs and welcome her and her staff to estimates. We are now in your hands for up to half an hour.

1410

Ms. Gail Beggs: Thank you, Mr. Chair. I'm here today, as the Chair has told you, on behalf of the Honourable David Ramsay, who regrettably is unavoidably detained. I've also been joined here today by Assistant Deputy Minister David de Launay; on my far right, Assistant Deputy Minister George Ross; beside me, Bill Kissick, newly appointed director of the industry competitiveness secretariat; and behind me, Kevin Wilson, assistant deputy minister of the natural resources management division.

Mr. Chair and members of the standing committee, it is my pleasure to present the budget estimates of the

Ministry of Natural Resources for the fiscal year 2005-06 on behalf of Minister Ramsay.

On Sunday, Ontarians will mark the second anniversary of the McGuinty government's election. I welcome the opportunity this morning to provide an overview of the Ministry of Natural Resources' achievements during that time and our goals for this fiscal year and beyond.

When the McGuinty government came into office on October 2, 2003, it brought a clear vision and a set of goals aimed at ensuring that all Ontarians, now and in the future, enjoy the benefits to be derived from the sustainable use of our province's natural resources. Among the key goals set for my ministry were to:

- seek greater stability and certainty for Ontario's forest industry and the communities that depend on that industry;

- expand new sources of clean, safe, reliable energy by developing provincial water power and wind power potential and other alternative sources;

- ensure a safe, reliable water supply for all Ontarians by increasing protection for source water;

- increase conservation of Ontario's rich and abundant biodiversity and strengthen protection for our parks and natural areas;

- maintain and enhance hunting and fishing opportunities in the province;

- reduce loss of precious green space and viable farmland in southern Ontario;

- and put the necessary tools for sustainable economic development in the hands of northern and aboriginal communities, bringing much-needed change to the north and ensuring a brighter future for our young people.

I am proud of what we have achieved in two years. I would like to list some of these achievements for you, which I will describe more fully during my presentation.

We have taken aggressive action on a number of fronts to support a stronger, more competitive forestry industry and a more prosperous future for the northern and rural communities that depend on it. This includes working to ensure that Ontario forest products get preference in export markets by requiring mandatory forest certification for all sustainable forest licence holders by the end of 2007. Ontario is the first jurisdiction in the world to make independent third-party verification a mandatory requirement.

We have made significant advances in developing the province's alternative energy potential, including wind power, water power and cogeneration.

We are working with the Ministry of the Environment and partners to assist municipalities and conservation authorities to prepare source water protection plans that are essential to a safe, reliable water supply.

As a signatory to the Great Lakes Charter Annex, we have been vigilant in defending Ontario's interests in the Great Lakes waters and we will continue to do so.

We have increased the number of hunting and fishing opportunities in the province.

We have taken steps to strengthen protection for parks and natural areas through a review of the Provincial Parks Act. We have also expanded partnerships to conserve natural spaces and have created a voluntary program to make it easier for southern Ontario landowners to protect and restore natural areas on private property.

We have produced the first-ever biodiversity strategy for Ontario, which will help us restore and protect our rich natural heritage, ensure long-term protection for rare and endangered species and conserve healthy habitats for our fish and wildlife populations.

We are winning the fight against the spread of raccoon rabies and are continuing to lead the world in rabies prevention and control in the wild.

We have strengthened protection for endangered species, including a new strategy to protect the province's wolf population.

These are challenging times for resource managers in this province; some might say interesting times. Ever-increasing pressures are being placed on our forests, our waters, our green space and natural areas. Many of those pressures are coming from outside our jurisdiction.

Today I will outline for you how this government and my ministry are dealing with those pressures. I will talk about where we are focusing our efforts and what we are doing to ensure that our natural resources are managed sustainably and in the best interests of the citizens of Ontario.

I'm going to begin with forest resources, one of our province's greatest natural assets and the lifeblood of many northern communities. Close to 30% of the overall employment in the north depends on the forest sector. As the second-largest manufacturing industry in Ontario, forestry is a major economic engine for the entire province. It is also an industry facing unprecedented competitive and economic pressures and challenges.

Securing a stable and viable future for Ontario's forestry industry is a priority for the McGuinty government and for my ministry. We know that a strong future for this industry is essential to the long-term economic and social fabric of northern Ontario, and to the prosperity and well-being of our province as a whole.

The current situation calls for decisive and aggressive action. This morning in Thunder Bay, I announced a major government package that will stimulate economic diversification in the north, address the losses that are occurring due to forest industry rationalization, and trigger new growth and prosperity for the industry.

To fully appreciate the scope and intent of this package, I would like to briefly provide some context before I talk about the details. As I stated, Ontario's forest industry is facing unprecedented pressures. These include changing global markets, increasing competition, escalating costs, a trend toward fewer but bigger mills, and a dramatic shift in currency rates.

We know that the forest industry will continue to face a growing set of challenges for the following reasons:

- Globalization has meant that the growth markets for forest products are shifting out of North America to

southeast Asia and Latin America. New low-cost, high-technology, large-scale competitors are emerging offshore.

—Our traditional comparative advantage in abundant, low-cost wood supply has vanished.

—Ontario is undergoing a transformation in energy and, in particular, electricity markets.

—There has been a 30% appreciation in the Canadian dollar in the last two years.

—Our forest management plans are indicating that wood supplies of conifer and aspen in the north are forecast to decline over the next 20 to 30 years. This is largely due to the current maturing age structure of the forest.

—We are now entering into another year of crippling duties on our softwood lumber exports to the US, with no end to this dispute in sight. These duties have drained half a billion dollars of the Ontario industry's cash—money that would be better used addressing all of these other challenges.

Together, these events have set the stage for the major restructuring and shifts taking place in Ontario's forest industry today. We're seeing mill closures and downsizing, loss of jobs, community instability and reduced government revenues.

Last November, I formed a Minister's Council on Forest Sector Competitiveness to review this situation and the serious impact it is having on communities across the north. The council represented all interests that have a key stake in the future of the forest industry: workers, communities, companies, First Nations, environmentalists and others. The council's report, which I released in June, contained a number of sound recommendations to address issues facing the industry. I am regarding that report as a blueprint for action. It will be our guide for making the fundamental and long-term changes necessary to get the industry and the northern economy repositioned and on the road to a strong and stable future. I am encouraged by the council's conclusion that the forest products industry in Ontario has very real prospects for growth, diversification and prosperity.

1420

The council also stated that Ontario has the capacity to respond to the domestic issues with appropriate public policy and swift action.

The comprehensive package I announced earlier today supports action that government, industry and northern communities can take together. I announced that this government is committing more than \$330 million in new initiatives over the next five years, in addition to the \$350-million loan guarantee program announced in June. This is how it breaks down:

—The forest sector prosperity fund will distribute \$150 million over three years. The fund will be used to help leverage new capital investments in a number of priority areas for the industry.

—We are investing \$28 million annually to help industry maintain eligible public forest access roads. Located on public land and in public ownership, these

important roads provide benefits to mining companies, tourism operators, First Nations, utilities, hunters and anglers, and others.

—We will be enhancing the province's forest resource inventory through an investment of \$10 million annually by 2007-08 for a more current and accurate database. Since its inception in 1946, the inventory has been the basis for major forest resource planning and policy decisions. An improved inventory will support better forest management decisions.

—We will be setting up an Ontario wood promotion program to enhance value-added manufacturing in the industry. This program will be funded through an investment of \$1 million annually, beginning in 2006-07.

Today's announcement builds on the initial steps I announced in June, which included:

—\$350 million in loan guarantees to stimulate new investment;

—the creation of a process to move to multi-party shareholder sustainable forest licences;

—streamlining approvals for forestry activities, and

—recognizing a panel of council members to follow up on the progress being made.

I'm glad to report that applications for the loan guarantee program will be available on the ministry's Web site in mid-October. Providing access to loan guarantees will:

—stimulate forest products sector investment on capital projects that would improve the forest sector's competitive advantage;

—encourage private sector participation in infrastructure financing by reducing credit risks; and

—enhance financial viability of projects through access to a less expensive financial package without exposing private financial institutions to excessive credit risks.

The loan guarantee program will also provide the forest industry with incentives for increased investment in energy efficiency and co-generation. I have asked my colleague the Minister of Energy, Dwight Duncan, to work with the industry to promote renewable energy and co-generation.

Based on the council's recommendations and the input of stakeholders who took part in the process, we have developed a new vision for Ontario's forest sector. The new vision is of a strong, regionally based forest industry in Ontario, composed of fewer, larger, more efficient and competitive commodity-based facilities, together with smaller, more diverse and specialized value-added businesses.

My ministry will not be alone in working to achieve this new vision for the province's forestry sector. This is a far-reaching initiative and requires the participation of a number of ministries that directly influence the industry's competitive environment. Those ministries include Natural Resources, Finance, Energy, Transportation, Environment, and the Ontario Secretariat for Aboriginal Affairs.

The government must also respond to community and worker impacts associated with restructuring. Ministries

involved in that aspect are Northern Development and Mines, Economic Development and Trade, and Training, Colleges and Universities.

A cross-ministry assistant deputy minister steering committee will guide the government-wide efforts to implement the broad transformational process required.

Within my ministry, we are also making changes to the organization that will help us develop and implement the new forest vision in a timely and effective manner. A forest sector competitiveness secretariat has been established that will report to the assistant deputy minister of the forests division. The industry transition unit will address the implications and requirements stemming from restructuring and consolidation. The industry competitiveness unit will focus on emerging needs of industry in specific areas, including energy, transportation, finance and environmental aspects of the sector's business. The secretariat is divided into these two units. The secretariat will also take the lead in reviewing proposals for financial assistance to the forest sector from the loan guarantee program.

With every one of the initiatives I have described today, I am confident we are taking the right steps to address the long-term needs of Ontario's forestry sector, and we are on the right road to providing a more prosperous, more secure future for the communities that depend on this industry.

In June, I announced phase 1 of our financial support for the industry. This morning I announced phase 2. Phase 3 is now up to the federal government to provide tangible financial support for the forest industry. We are waiting for the federal government to provide an incentive package as promised by the Prime Minister earlier this year in Kenora at the Northwestern Ontario Municipal Association's annual general meeting.

As I have identified, the cost of energy is one of the major issues facing the forest industry. Energy cost is in fact an issue for everyone in Ontario, in Canada and in North America. Collectively, we are all having to rethink our North American attitudes toward where our energy comes from and how we use it. This is more than an issue of cost. The decisions we make around energy production and use have serious environmental implications.

The McGuinty government remains firm in its commitment to phase out coal-fired electricity plants and develop clean, renewable energy sources. We aim to expand Ontario's supply of clean renewable energy and generate 5% of the province's total energy capacity from renewable sources by 2007.

We are fortunate in Ontario. We've got enormous undeveloped waterpower resources, as well as wind power, biomass and cogeneration potential. Together, these alternative energy sources have the potential to provide significant amounts of sustainable, reliable and clean energy for our homes and businesses, and they represent significant economic development potential for northern Ontario communities.

Last November, the government took a significant step forward in expanding Ontario's energy sources by releas-

ing a new provincial policy for waterpower development. The new policy enables energy stakeholders and First Nations communities to bid on new waterpower development and investment opportunities on crown land through a competitive marketplace. My ministry oversees the release of sites and makes sure that all proposals are technically feasible, financially secure, provide long-term benefits and are sensitive to the environment. We're also working with the Ministry of Energy to ensure that proposed developments can be received into the energy market.

We are making good progress with this initiative. I recently announced the first applicant from the ministry's competitive site release process to be awarded the opportunity to pursue the required approvals to construct and operate a waterpower facility on the Kapuskasing River. The successful company will work with the ministry, the public and First Nations communities in the area to create a plan for sustainable development of waterpower sites on the river.

As well as providing a boost for the local economy and First Nations communities, this one project alone has the potential to generate 20 megawatts—enough power to supply up to 5,000 homes with electricity. I will be announcing successful applicants for similar projects very soon.

1430

Encouraging First Nations communities to participate in waterpower development will lead to important social and economic benefits for those communities. The new policy also allows far north aboriginal communities to use water power for self-supply, enabling communities that currently rely for diesel fuel for power to switch to a cleaner, healthier source.

In the next few years, we are also going to see a huge increase in wind power generation in Ontario. Wind energy is the fastest-growing form of energy in the world, and I have every confidence that wind power will eventually make a major contribution to our clean, green energy goals.

My ministry has responsibility for releasing wind power opportunities and reviewing proposals to test and develop wind power on crown lands. In January of this year, we approved applications to test wind power at 21 specific crown land sites over the next two to three years. Most sites are located along the Great Lakes shoreline.

The ministry has also developed a number of tools to make it easier for people to get reliable information on locating wind energy sites and developing wind power opportunities. These include an online wind energy map that allows users to view any area of the province to obtain wind speeds for specific locations.

In co-operation with the Ministry of Energy, the Ministry of Agriculture, Food and Rural Affairs, and the Ministry of Northern Development and Mines, my ministry is investigating and promoting a variety of co-generation and new bio-energy opportunities. The development of alternative energies, such as converting

forest waste to bio-oil, will have many benefits for northern Ontario.

We have a sustainable supply of unused forest waste, or biomass, readily available in Ontario's forests. Unused forest biomass includes tree tops, limbs and slash left after logging operations; trees that are destroyed by fire, insects and disease; and tree species that can't currently be sold. Until recently, the use of forest slash for energy purposes has been uneconomical due to collection, transportation and handling obstacles. New technology now allows the slash to be converted to bio-oil at the harvest site or near to it.

In August, I announced a \$770,000 investment in new technology for the construction of a transportable, self-contained plant that would convert forest biomass into bio-oil in remote forest areas of northern Ontario. This plant is part of a three-year pilot project to test the technical and operational reliability and suitability of a bio-refinery business.

Through all of these alternative energy initiatives—water power, wind power and cogeneration—we are putting in place the tools and incentives needed to help us achieve our energy goals and to make Ontario a North American leader in clean, green energy production.

As I stated at the outset, one of the goals is to put the necessary tools for sustainable economic development in the hands of northern and aboriginal communities, bringing much-needed change to the north and ensuring a brighter future for our young people. Our young northerners deserve to have the option to stay in the north and build a good life there. Creating long-term sustainable jobs is key to providing them with that choice. With resource industries and other levels of government, we are working with northern and First Nation communities toward that goal in a number of ways.

I've already talked about the local economic benefits that would be realized by expanding our capacity to produce clean, renewable energy in the north. The forest futures package has a major economic development component aimed at providing long-term benefits and jobs to northern communities. We've taken steps to improve and increase fishing and hunting opportunities, and to strengthen protection for our parks and protected areas. These efforts will, in turn, increase support for our northern tourism industry and enhance our reputation as a world-class outdoor recreation destination.

Through the northern boreal initiative, we are helping several First Nations in the far north carry out land use planning and identify forestry-based economic opportunities. This initiative aims to create forest employment and give far north First Nations communities a leadership role in sustainable forest management.

As a northerner myself, I am proud of the government's continued commitment to the people, communities and economy of northern Ontario.

The McGuinty government has clearly demonstrated that strong protection for provincial watersheds and conservation of water are key priorities. We recently proposed tough new rules for water takings in Ontario and

brought in stronger measures to protect natural ecosystems.

Of course, the water in our Great Lakes is a shared resource with neighbouring states south of the border. Since 2001, Ontario has been working with the province of Quebec and with the eight Great Lakes states to reach consensus on a set of draft agreements for greater protection of the lakes and their basins. These are known as the Great Lakes Charter Annex implementing agreements.

The 10 jurisdictions released first drafts of the agreements in July 2004 for public review. After listening to the public response, input from Ontario's First Nations, and the advice of its advisory panel, Ontario said no to the first drafts. We went back to the negotiating table, seeking stronger agreements for no diversions and better conservation measures. As minister, I would not accept anything less than a virtual ban on diversions of Great Lakes basin water, with very limited exceptions.

Thanks to the hard work and commitment of ministry staff representing Ontario's interests at the table, we were successful in having the draft agreements revised accordingly before going forward for the next round of public review. Those revised draft agreements providing stronger protection for Great Lakes basin waters were released at the end of June for a 60-day public consultation process. The revised draft agreements are not final and do not yet represent a consensus—one state declined to sign—but the agreements are now much stronger as a result of our efforts, and we believe they are worth pursuing.

Now that the public comment period has ended, the 10 jurisdictions have returned to the negotiating table to consider the public input from across the basin and to strive for consensus on final agreements. We remain optimistic that a consensus can be reached. Whatever happens, we will continue to be vigilant, firm and vocal in protecting Ontario's interests in the Great Lake waters.

We live in a province that is home to an abundant variety of plants, animals, birds, fish and insects, as well as the forests, wetlands, lakes and rivers they inhabit. This broad network of biological species and systems—our biodiversity—enriches our lives and provides us with clean water and air, as well as sources of food, wood, medicines and energy.

Conserving Ontario's biodiversity is essential to achieving a healthy environment, strong communities and a thriving economy. Through Ontario's first biodiversity strategy, unveiled last June, the McGuinty government is providing stronger protection for Ontario's rich natural heritage and a healthier future for Ontarians. The strategy contains 37 actions that the ministry and our partners will focus on over the next five years.

The new natural spaces program we announced in August fulfils one of the actions identified in the biodiversity strategy. This innovative and voluntary program will make it easier for landowners to protect important natural areas on private property, and is responding to a real need to protect and restore precious green space in southern Ontario. The importance of the natural spaces

program is put into perspective when you consider that Ontario's population is expected to grow by more than four million people by 2031, primarily in the greater Golden Horseshoe area.

We all share a responsibility to future generations to act now to ensure they will have the benefits of a healthy natural environment, clean air and water, and opportunities to enjoy nature close to home. The Natural Spaces program supports but does not duplicate other measures this government has taken to maintain a healthier natural environment in southern Ontario. Those efforts include the Greenbelt Act, source water protection plans, protected area designations, conservation easements, private land tax incentive and stewardship programs, and more. Every effort we make to reduce loss of green space in southern Ontario will improve our air and water quality, protect important natural features and wildlife habitat, provide more places for outdoor recreation such as fishing, hunting and hiking, and sustain our wealth of biodiversity.

1440

I can see from the clock that I must shortly conclude these opening remarks. I would like to note that the sheer scope of the ministry's mandate makes it impossible for me to provide you with an adequate overview in the allotted 30 minutes. I have touched on our priorities and highlighted some achievements, but I have not been able to give you a complete picture of our accomplishments over the past two years, or the work underway right now. I would hope that during the next several hours we can discuss some of the many other areas in which my ministry is making a positive difference in the lives of Ontarians.

Before I finish, I also want to note that Ontario just went through the busiest fire season since 1995. I would like to take this opportunity to give a nod to our fire and aviation staff. Since becoming minister, I have had opportunities to visit a number of fire lines and see first-hand what these brave men and women endure day after day: the smoke, the fatigue, the relentless heat. I have also seen first-hand their commitment to protect our northern communities and forest resources from fire.

To get an idea of just how busy the season was this year, by mid-September, Ontario had incurred 25% of all wildfires reported across Canada up to that point, and to get an idea of how effective our teams are, those fires accounted for less than 2.5% of the total area across the country lost to fire. That's quite a success story. It clearly demonstrates the value of the ministry's initial attack strategy and the dedication and professionalism of our firefighters. I have to say it's the kind of commitment to the job that I have consistently found throughout the ministry. It's been a pleasure to work with such a dedicated organization.

I am proud of the results we have achieved together over the past 24 months, while meeting the challenges of a tight budget. I look forward to working with Deputy Beggs and ministry staff to build on those results.

Our ministry budget this year is \$492 million for operating expenditures and \$54 million for capital expenditures. You will see that we have made every effort in our estimates to balance this funding across all of our priority areas. We will move forward with our commitments and maintain our core programs for the optimum benefit of the resources and the taxpayers.

In the year ahead, we will continue to take aggressive action to support a viable and environmentally sustainable forestry industry. We will remain diligent in our commitment to achieve a strong agreement for protecting the Great Lakes. We will expand our efforts to restore and protect natural spaces in southern Ontario. We will introduce legislation aimed at strengthening the laws that protect Ontario's provincial parks and other significant natural areas. In short, we will keep working to ensure that sustainable management of all of Ontario's natural resources brings lasting benefits to our environment, our health, our economy—our quality of life—for Ontarians today and for generations to come.

That concludes my formal remarks. I will now be happy to answer your questions.

The Chair: Thank you very much, Deputy. We will recognize Mr. Miller.

Mr. Norm Miller (Parry Sound–Muskoka): Thank you, Deputy Minister, for reading the minister's statement, and to the assistant deputy ministers sitting in today. I'm certainly disappointed that the minister is not here, although he's got a good excuse—that the windshield blew out in the airplane. I assume that was the government's King Air on the way here. I can speak from personal experience and say that I believe him, because it happened to me as well, when I was parliamentary assistant to the Minister of Northern Development and Mines, coming back from a FNOM—Federation of Northern Ontario Municipalities—meeting, very much on a day like today, a nice windy day. So I think they need to have a look at that airplane to get that problem figured out, because it is a little bit unnerving when you hear a loud bang and watch the windshield become many small pieces that you can't see through afterwards. I certainly understand why the minister is unable to join us after making the forestry announcement this morning in Thunder Bay.

Certainly, forestry is an area that I would like to focus on to begin with. Forestry is the number one industry in northern Ontario. It's \$18 billion: \$9 billion in exports; 200,000 jobs, direct and indirect. I think it's safe to say also that the industry is in crisis right now, certainly from the conversations I've had with mill managers. From what you see going on, it is definitely in crisis.

This morning, the minister made an announcement of some further enhancements for the sector, and you've highlighted some of those, that it's investing \$150 million over the next three years through a forest sector prosperity fund to leverage new capital investments in a variety of areas: \$28 million annually to maintain primary forest access roads, \$10 million to enhance the forest resource inventory, and \$1 million in an Ontario wood promotion program. Those are the key elements of

it. He had already responded earlier in the year to the Council on Forest Sector Competitiveness, back in June, with a \$350-million loan guarantee.

I'd just like to reflect for a moment on conversations I've had with some mill managers in getting ready for today. Yesterday, I was talking to a mill manager in northeastern Ontario about what he expected and what would benefit them and get them out of their current crisis. He pointed out to me that currently in Ontario, the landed wood costs—I think “delivered wood costs” is another term—they've seen are about \$50 and \$55 per cubic metre in Ontario, compared to a world average of about \$30 per cubic metre. That happens to be the highest cost in the world. That includes all costs, including getting the fibre out of the bush, building roads, reforestation etc. I'm happy to see the small step that was announced here, the \$28 million toward primary roads, although I will ask you in a while to tell me how you define a primary road.

But for a mill operator, what has not been addressed, and what the mill manager I was speaking with yesterday said was going to be what mattered for him in knowing whether this announcement was going to make their industry sustainable or not, are electricity costs. He pointed out to me that in September, the industry was paying \$70 a megawatt hour in northern Ontario—and he pointed out how large industry in northern Ontario pays more for electricity than in southern Ontario—compared to \$30 a megawatt hour in Manitoba and \$40 a megawatt hour in Quebec. We're the highest-priced jurisdiction in North America. Particularly for paper and for pulp mills, that is a huge part of their costs. For this mill manager, it basically came down to the fact that unless there was immediate action on the cost per megawatt hour, mills will close in northern Ontario, and that's what he bluntly told me yesterday. I can't help but point out that this issue was not addressed in the announcement today.

As the mill manager pointed out to me, recent closures we've seen in the last while—Abitibi, in Kenora, on October 22 permanently shut down one paper machine and idled another. That's 355 people out of work. Norampac, in Red Rock—in the spring, I did a six-day northern tour, and I met with Lorne Morrow at Norampac. At that point, he made it very clear how large a part of their business energy costs are—about a third of the cost of the containerboard that they produce there. So they're shutting down a machine; 175 jobs are being lost. Bowater in Thunder Bay has one machine shut down. Tembec in Kapuskasing has one machine shut down; that's 65 jobs. Pulp mills are hanging on the edge in Marathon and Smooth Rock Falls. Cascades in Thunder Bay has one paper machine shut down. They shut it down about a month ago.

1450

So the bottom line is that the key issue, certainly for paper and pulp mills, was not addressed, and it's very clear that the industry is in crisis. It's very clear that it's the number one industry in northern Ontario and, I think

it's safe to say, number two or three in the province, depending on whether or not you're talking to farmers.

This mill manager pointed out that if he had his mill, which uses about 100 megawatts on an average basis, located in Manitoba, he would save \$30 million a year on his energy bill. So his reaction when I again spoke to him this morning after the announcement—“Were you satisfied with the announcement that was made?”—was basically that it was an extraordinarily small step forward and that the prosperity fund, even though it sounds like a lot, \$150 million over three years, is a drop in the bucket; a positive step but just a very small step. The industry, especially the pulp and paper industry, is in crisis, and mills will close down and communities will suffer unless the costs of electricity are addressed.

So I guess my first question would be, why have you not addressed the most significant cost factor for the paper and the pulp and paper industry?

Ms. Beggs: I'll do my best to address your question. Today in Thunder Bay, when the minister made the announcement of our new forest sector strategy, it was indeed an acknowledgement of the tremendous transformation that is needed in the Ontario forest products industry. Indeed, this is a transformation that is going on across North America. If the minister were here today, I believe he would say to you that our delivered wood cost of \$55 a cubic metre, while acknowledging it is very high, is in the same ballpark with delivered mill costs across eastern North America.

The issue of energy has been addressed in part by the announcement made in Thunder Bay today. The forest sector prosperity fund—the \$150 million over three years—is directed to assisting the industry in capital investments that will transition it to increase value added, improve fibre efficiency and, most importantly, improve management around energy. So it will explicitly address investments made by mills in projects such as cogeneration, demand management and energy conservation.

Indeed, even before the announcement, the ministry, along with colleagues in the Ministry of Energy, the Ministry of Finance, the Ministry of Northern Development and Mines and the Ministry of Economic Development and Trade, has been working very closely with a number of forest product members and mills in Ontario. Two of those were mills you spoke about as mills that are experiencing difficulty: Abitibi in Kenora and Bowater in Thunder Bay.

With the announcement today, I think that mill managers, like the mill manager you spoke to, will have the opportunity to approach the government and speak directly about the energy issues and work with government on investments that can be supported through the forest sector prosperity fund and address the issues of energy that his mill is facing.

I would acknowledge that energy prices in Manitoba and Quebec are lower; that is a fact. But I would also like to point out that the experience of mill closures is going on in eastern Canada in provinces that have lower energy prices than Ontario. So the forest products industry as a whole is going through transition, and I think we have all

heard announcements of mill shutdowns in Newfoundland, New Brunswick and Quebec. Each of those jurisdictions, I believe, has power prices that are lower than Ontario's.

Our point here is really that the transition that industry is facing is due largely to a number of factors. In Ontario, yes, energy may be one of them, but more importantly, there is restructuring going on globally, new fibre being brought on in southeast Asia and demand for newsprint falling. In Canada we're faced with a very high Canadian dollar. While that's good for some parts of the economy, it makes it very tough when you're exporting.

I'm going to ask Mr. Kissick if he has anything to add. He's more of a technical expert in this area than I am.

Mr. Bill Kissick: Mr. Miller, to the deputy's comments, the announcement today with respect to roads, based on our analysis and information that the industry gave us, reduces industry's road maintenance costs by 75%.

Mr. Miller: By 75%?

Mr. Kissick: Their cost of maintaining roads by 75%.

Mr. Miller: I had a conversation this morning—and you can correct me if I'm wrong—but the mill manager I was speaking to thought that their primary roads were about \$100 million, and this program is \$28 million a year. I guess it depends what a primary road is. I would like you to tell me what a primary road is. Obviously, if it's just the Trans-Canada Highway, that's different than if it gets back in the bush a fair distance.

Mr. Kissick: The industry provides the road costs to us every year through a survey we do. That information, over the last three or four years, has shown that the industry spends about \$130 million a year across the province on building roads and maintaining roads. The largest single component of that \$130 million is expenditures for tertiary roads. These are roads that come off secondary roads, actually. They're very temporary; just to get into a harvest area. They don't really incur any maintenance at all. Oftentimes, the tertiary roads are shut down after an area has been accessed. Industry doesn't spend any money maintaining tertiary roads.

Mr. Miller: But they pay the full cost of building them.

Mr. Kissick: They do.

Mr. Miller: I know one of the recommendations of the minister's Council on Forest Sector Competitiveness was that the province assume 50% of the cost of secondary roads. That is something that was not responded to in this announcement.

Mr. Kissick: The largest single component is tertiary roads. In the minister's council, from my recollection—I was at most of the meetings—that was not an issue. The issue was primary and secondary roads. The cost of building and maintaining primary and secondary roads is about \$60 million a year. The announcement doesn't go to the construction of roads, but it does go to maintenance, and the majority of maintenance costs—75%—are for primary roads.

Mr. Miller: I understand that the \$28 million is retroactive to April 1. Is that correct?

Mr. Kissick: It's retroactive to April 1 this year.

Mr. Miller: It's just maintenance, though.

Mr. Kissick: Maintenance on primary roads.

Mr. Miller: On the other parts, the earlier announcement of the \$350 million that has been put forward as loan guarantees, the reaction I've had from industry people I've spoken to is that it really doesn't matter, because if your business isn't sound, if your business is in a negative cash position, you're not going to invest in it. For some of the large companies, getting cash is not a problem anyway. The question is getting the business in a fundamentally sound position, and that's where addressing all these costs is important.

My question to you is, how many applications have you had for the \$350-million loan guarantee that was announced back in June?

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Ms. Beggs: I believe that the formal process for the loan guarantee program will be launched in October, so it's possible that folks are waiting for that formal launch for putting in applications. We have, however, been working with one company on a loan guarantee application in advance of that formal launch. Other companies have expressed interest and asked questions about it—but no other formal applications, I believe, to date.

Mr. Miller: I would like to point out that the response I get from industry is that they need immediate help. They see the \$150 million as helping in the medium and longer terms toward incremental costs for things like developing more cogeneration, but it's next month that they are concerned about. I note that the reaction from the Communications, Energy and Paperworkers Union of Canada to the announcement by the minister this morning was fairly succinct: Cec Makowski, the Ontario region VP, called the announcement pathetically anemic and nowhere near what's required to turn the industry around. I also note the reaction from the Ontario Forest Industries Association that the critical core competitiveness issues are not addressed, and they point out that the cost sharing on secondary roads, as requested by the Minister's Council on Forest Sector Competitiveness, was not addressed.

On that \$350 million—the loan guarantees—you're saying that the program was announced in June but it's still just now in process, and it will be in October that you'll start to receive applications?

Ms. Beggs: We have received one application, but I believe our formal launch, and I stand to be corrected by Mr. Kissick, will be in October, when we put up application forms and criteria on a Web site. But we have been in discussion with one forest company and are processing an application from them. We have had interest expressed in conversations about what process it would take from other companies, but only one formal application to date.

Mr. Miller: Still on forestry: From the estimates, I see on page 47, to do with forest management, that there is a decrease of \$3.7 million, or 5.3%.

I note some of the points you have in the book on forest management:

“—leading and assisting in the implementation of the minister’s council recommendations on forest sector competitiveness;

“—leading Canada/US softwood lumber negotiations and defending Ontario’s position with respect to timber pricing and tenure;” and

“—implementing the provincial wood supply strategy.”

I would ask, at this critical point when obviously the industry is hurting, why is there a decrease in the budget estimates for forest management?

Ms. Beggs: In Ontario, in the Ministry of Natural Resources, I think we have a world-class forestry framework to work with and a wonderful program that is leading-edge and respected by other jurisdictions.

The ministry is one of several ministries across government that has been flatlined in its budget, and in order to manage all of the programs, including our forestry program, we’ve had to shift resources to highest-priority needs. In so doing, we’ve managed to meet all of our legislative requirements and, as I spoke in the minister’s address, even have the worst fire year across Canada and come up with amazing forest fire statistics. I think you’ll find when we actually conclude the year that across both the forestry program and the fire program we will have spent considerably more than what is estimated in the materials before you today.

In order to realign monies within the ministry, as a flatlined ministry, we have looked at savings that we can achieve by greater use of technology in our forestry program. We’ve gone to electronic publishing of some of the materials that we used for public information. We have got an electronic portal for exchanging information with the industry. So we have tried to minimize the effect on outcomes of that decrease in budget that you are speaking to.

I agree that we have tremendous priorities in the program and I believe we are meeting all of those priorities and, in some cases, like forest fires, which I realize is another part of our budgets, we’re exceeding expectations, as we do regularly in that program.

Mr. Miller: Also, I note on page 65, under “Natural Resource Management,” capital expenses, once again to do with forest fire management—aviation and forest fire management—that there is a 30%, or \$2.3-million, reduction. Can you explain: You just said you had one of the worst forest fire years ever. Are you putting less emphasis on fighting fires in the future, or are you somehow changing the way you are doing business? Why is there a reduction of 30% in aviation and forest fire management infrastructure?

Ms. Beggs: That particular line in our budget refers to capital funding. The ministry has less capital dollars across government—

Mr. Miller: The plane the minister was flying in this morning is part of that budget, is it not?

Ms. Beggs: It is.

Mr. Miller: Maybe you’d better spend some money on that plane.

Ms. Beggs: It looks like even when we had more capital dollars, we had windshield problems, as I remember your first remarks.

The capital budget across government was built on a priority basis, and the ministry had to prioritize its capital projects for the year. The decline in capital in the aviation and fire portion of the ministry was a deferral on some work on fire centres. Is that right, David?

Mr. David de Launay: Yes.

Ms. Beggs: So it is work that we will get to as we are able to move up our capital allocation priorities.

Mr. Miller: Thank you. On natural resources management again, page 47, fish and wildlife management, I note there is a 5% decrease, or \$847,500, in the budget from last year on fish and wildlife management. Certainly it would be my experience in my own riding of Parry Sound–Muskoka that that is something my constituents are pretty concerned about. I note fishermen in the Sundridge area and the Lake Bernard area locally in the press in the last few weeks complaining about the decline in fish population and asking the Ministry of Natural Resources to be involved in stocking programs for Lake Bernard. Twice in the last week, I bumped into moose hunters who were very frustrated and decided to corner me and question me about the moose draw, which I don’t know that much about, except that it’s a draw. I learned a lot more by talking to them, but they were obviously quite frustrated by the system and said that it was pointless to even put your name in, because they’d done it for years and were not successful in drawing the right to be able to hunt moose. So why is the budget for fish and wildlife management decreasing?

Ms. Beggs: I’m going to let my deputy minister, Kevin Wilson, from the natural resource management division speak to your question. We’re just trading microphones here, I believe.

Maybe I can just speak to frustration around the moose draw, first of all. I’ve been with the Ministry of Natural Resources on and off for many years—more than I care to count—and I’ve heard that frustration expressed. I know that for avid hunters, getting a moose tag is really getting a jewel in the crown, so I appreciate the frustration of people. We have many, many applicants, and for sustainability reasons we can only allocate so many tags. This year we’ve introduced a new draw for northern Ontario residents which will increase the probability of tags for northern Ontarians. I wasn’t sure where this gentleman came from, but he may have a better chance this year.

1510

Mr. Miller: That would be a sore point with this gentleman, I think.

Ms. Beggs: But if he doesn’t qualify as a northern Ontarian—

Mr. Miller: You can tell me where the line is for that draw, actually. It’s probably just north of my riding, I suspect.

Ms. Beggs: And he would be just south of that line?

Mr. Miller: Yes. I don't think that would be news he'd be really happy to hear.

Ms. Beggs: Are you answering the question, David? Sorry.

Mr. de Launay: Mr. Miller, just on the question you asked about the reduction in the finances on page 47, you'll note that there's a reduction of \$847,000, but it's on an operating budget of \$16 million on that page.

Mr. Miller: So a 5% reduction.

Mr. de Launay: Right. The \$16 million is our base funding for fish and wildlife in the ministry, but the vast majority of the funding for our fish and wildlife program comes through our cards, which goes into a special-purpose account. So if I can take you to page 102 of the estimates, on the fish and wildlife special-purpose account you'll see in the middle of the page there's a budget line estimated at \$60.5 million. So our total budget for fish and wildlife is a combination of that \$60.5 million and the \$16 million on page 47. You'll see that in fact we think our revenues are going to go up 1%.

Mr. Miller: That's the revenue from fishing licences, I assume.

Mr. de Launay: Exactly; that's right. So the reduction is offset by revenue, more or less, and then it's a part of the way we're managing the program within our general management as a flatline ministry.

Mr. Miller: Thank you.

Another issue that I would certainly like to get to, just because I've heard so much about it, both in my riding and across the province, is the issue of bears, and in particular I guess the number of bears and nuisance bears. Recently, in the last month or so, there was a tragic event: a young doctor who was killed near Chapleau. We've also recently had a forestry worker dragged from a tent by a bear in northwestern Ontario. In just about any newspaper you look in across the province—I have a stack of about 30 of them here—there are stories about increased numbers of bears. In Timmins, as of September 9, the police had dealt with 382 calls re bears. In Red Lake, Ontario, as of mid-September, they've killed 23 nuisance bears. All around my riding, it doesn't matter what town you talk about; there have been many instances and lots of reports in the media to do with people and bear run-ins, I guess you'd call them. I know driving up to the northern part of my riding and stopping for coffee in Novar, that's what a gentleman wanted to talk about: the fact that he had had a bear breaking through the window of his house the night before at 3 in the morning, and how terrifying it was for him.

I note in the Miner newspaper of September 27 a long-time forestry worker saying, "This is terrible. Something has to be done. There's too many bears out there," said Bill Skene, an Abitibi-Consolidated contractor. "Skene, a veteran of the logging business, said he's seen more nuisance bears this year than any other in his 20-year career.... 'There's a bear problem in Ontario and the government has to deal with it,' Skene said."

Obviously, he feels that the government is not dealing with this problem of so many bears. I know that we have

the bear wise program. You can tell me a little bit about that. But what I'd like to know is how much the bear wise program cost in the past year.

Ms. Beggs: Thank you very much, Mr. Miller. I'm going to start by saying that the government did introduce a bear wise program. I believe we brought it forward in early 2004. The bear wise program has a 24-hour reporting line where people can call in with nuisance bear problems and the ministry assists in dealing their nuisance bear problems. In some cases where it is a pressing emergency, we will be in touch with police officers who are best equipped to deal with it if it's immediate public health and safety. In other cases, ministry staff will assist with the program. The program has an education component where we are working with municipalities, with commercial outfitters on how they manage things like garbage so as not to attract bears.

The bear wise program contains funding within it for municipalities to apply for to implement programs within their municipality that help reduce the number of bear-human conflicts through management of things that attract bears. In terms of the concerns that you expressed about bear-human contact, particularly the tragedy in Missinaibe park and the forest worker's encounter with bears, that is something we are acutely conscious of in the Ministry of Natural Resources, in particular in the fire season and the park season. We have literally hundreds of workers in the bush ourselves, so we share very much the concern for interactions with bears. The ministry is bringing forward an extra seal for bear hunters, so with uptake of that seal, harvest of bears may increase.

Mr. Miller: When does the bear season run from? I know it starts around Labour Day, or around August 31, I believe.

Ms. Beggs: It varies as you move across the province in terms of geography. We have extended the bear season in the north, brought it earlier in time to enable hunters to get out earlier. With hunting season, you have to watch that fine line between the balance of people wanting to be in the woods for other purposes and hunters being in the woods. Our seasons for all species are mindful of those issues. It depends where you are in the province when your exact date starts. I don't have it at my fingertips, but we can look it up for you.

I'm going to turn to Assistant Deputy Minister George Ross, who has the bear wise program, to put a little bit of flesh on the bones that I told you about. In particular, I can think he can tell you how much fiscal resources we have in that program.

Mr. George Ross: Mr. Miller, the bear wise program is funded at approximately \$5 million a year. That funding goes to support for the toll-free number and for a program that provides funding directly to municipalities. In each of the last two years we've provided \$900,000 to a number of municipalities to support fencing projects, garbage control projects and those sorts of things. We also have funded, in this program, an enhanced response capability, both within the ministry and with municipalities as well. This is to support police forces and direct

response by our staff in certain situations to bear complaints.

Mr. Miller: What's the total budget?

Mr. Ross: Five million, roughly.

Mr. Miller: Five million.

Ms. Beggs: In terms of the bear issues that the province has faced and individuals have faced this year, our deputy minister, who has bear management policy, has reminded me that our scientists tell us that one of the factors influencing the conduct of bears this year and their interaction with humans is the very hot summer we've had, low water and drought conditions, that then create issues in terms of food availability for them, particularly berries.

1520

Unfortunately, it is a fact of life that when humans and bears operate in the same territory and bears are looking for food, circumstances like the unfortunate incidents you referred to can happen. We're not the only jurisdiction. In fact, we're one of many that are struggling to work with people to better educate them about how to handle themselves in the bush, what precautions to take, and we're working specifically with municipalities on their practices.

The bear wise program is a program that we have learned and adapted from British Columbia that piloted a bear smart program before we brought that program to Ontario.

Mr. Miller: Just a question: Why did the government ignore the recommendation of the Nuisance Bear Review Committee to partially reinstate a spring bear hunt, as was recommended in the report that the current minister responded to?

Mr. Kevin Wilson: Kevin Wilson. I'm the assistant deputy minister for the natural resource management division.

The nuisance black bear review committee in August 2003 found that there wasn't a scientific connection between the cancellation of the hunt and an increase in problem bear activity in recent years. As our deputy minister has said, the availability of natural food in relation to weather conditions, in particular in Ontario, has been the leading cause of increased problems with the black bear population in Ontario. We have been in touch with other jurisdictions across the country, including jurisdictions that have maintained a spring bear hunt where they're experiencing drought problems, and they have similar issues that they're managing in terms of human-bear conflict. That would seem to reinforce the nuisance black bear review committee's determination that there wasn't a scientific connection between the two.

Mr. Miller: Does the Ministry of Natural Resources allow bear culls in the province of Ontario? Other than the hunt, are there any other culls?

Mr. Wilson: They do not. As our deputy has offered, in response to black bear population increases, in certain of our wildlife management units we've offered an extension of the hunt, and it varies from WMU to WMU. In 2004, in certain WMUs we offered a second seal that

could be purchased by hunters and, of course, we did this in areas where we felt we could sustain the additional harvest and that it wouldn't affect the sustainability of the population.

Mr. Miller: So there's not a bear cull going on in Marathon right now? Because I had information from a culler saying—maybe they're misinformed—that MNR was allowing a bear cull in the Marathon area right now, and they were making inquiries of me about it.

Ms. Beggs: I'm looking at assistant deputy minister Ross. I'm seeing he's puzzled as well. Mr. Miller, we'll volunteer to look into that and get back to you directly.

Mr. Miller: If you don't mind.

Ms. Beggs: Absolutely. We're happy to do that.

Mr. Miller: As I said, it was an inquiry I had to my office. Otherwise, I have nothing else to go by on that.

Getting back to the actual estimates briefing book, I note on page 46 that there is quite a substantial reduction in Ontario Parks' operating expenses—a 21% reduction, or \$4.2 million. I'm wondering what we're cutting out of Ontario Parks or what the other possible explanation might be for a \$4.2-million reduction from Ontario Parks' operating budget.

Ms. Beggs: I'm going to turn it over to David de Launay in just a moment. Ontario Parks' budget operates like the fish and wildlife program. They get an allocation from consolidated revenue and they also have what's called a special-purpose account where park fees and proceeds from marketing and concessions within the parks are deposited in a special-purpose account. Their budget is actually the combination of what they receive from consolidated revenue and the special-purpose account. I'm going to ask ADM David de Launay to address your question more specifically.

Mr. de Launay: On page 46 you have the reduction of \$4.2 million, as you've pointed out, on operating—the next column over—\$15,601,000. But again, I'll take you to page 102.

Mr. Miller: So you're going to tell me that revenue is up.

Mr. de Launay: Exactly.

Mr. Miller: I'm glad to hear that.

Mr. de Launay: We have been moving to cost recovery and, as the deputy said, we have a special-purpose account, and page 102 lays that out; it's the last item. Our revenues are up \$3.7 million, and we now bring in about \$44.6 million from parks fees. The total for our parks budget, then, is about \$60 million. We're cutting the base funding we get from general revenue, but we're offsetting that with parks fees.

Mr. Miller: I also note that there was a huge reduction in capital expenditure for parks. From memory—I'm not looking at it here—I believe it was \$28 million.

Ms. Beggs: I'll start, and David de Launay may want to put a little flesh on my bones of an answer.

Parks capital budget: Again, all of our capital budgets in the ministry are prioritized with capital expenditures across the government. In terms of the decrease in the parks capital budget, that was principally due to a

deferral of investment in redoing water systems in our provincial parks. We chose to make that decision because the standards for water systems were under review. New standards were being brought in, and to make the most effective use of the public dollar, we wanted to make sure we met the standards that the province expected for drinking water systems in public parks.

Mr. Miller: So basically, you didn't have to make the improvements to the water system because the rules changed—and it was very much a last-minute change, as I recall. In fact, I know that some of the contracts had been let by the time you learned that the rules and requirements had changed. So my second question would be, did you have any penalties with contractors who were about to start jobs or were midway through changes to water systems that were cancelled?

Ms. Beggs: Yes, Mr. Miller, we had ongoing contracts with a number of companies. I'm not familiar with but know of at least two park sites where that occurred, and we are in negotiations over the contracts with the supplier of those services. Some work was done, but not all of it could be completed, and we're working that out with the people we had under contract for retrofitting those systems.

It would be our intention, with new standards in place, to revisit our capital over the next planning year to see where we need to make an investment to meet—and it will be a priority for us—the new drinking water standards.

Mr. Miller: Thank you. On a small item on page 17, "Agencies, Boards and Commissions," I believe the crown timber board of examiners' budget was reduced \$5,000.

Ms. Beggs: I think your observation is correct. In terms of the impact of that, I would need to get back to you.

Mr. Miller: Thank you. "Ministry Administration": Costs are going up dramatically. The overall budget for administration is to increase by 13%, or \$4.4 million. The main office budget—the deputy minister's office, minister's office, PA's office—is to go up almost 50%. How can this \$1 million in senior administration be justified?

1530

Ms. Beggs: Our ministry budget for administration has gone up. Part of the reason our budget has gone up is that we have realigned particular parts of the ministry into our corporate management division and into our deputy's office. I'd like to give you some examples of that. One of our agencies, boards and commissions is the Niagara Escarpment Commission. We work with a memorandum of understanding with the commission. The director of the commission reports directly to the deputy minister. The commission was formerly budgeted in the natural resources management budget. I believe we moved the budgeting of the commission to the administration budget, which includes the deputy minister's office. We also have realigned some other functions in the ministry, and I'll ask David to speak to that in a little bit more detail. So we've brought some work around the

Environmental Bill of Rights and the coordination of freedom of information into the ministry's corporate management division, and hence into our administration budget.

I'm trying to think if there were other specific ones. David, I'm going to turn it over to you, because I know you're more familiar with the numbers than I am.

Mr. de Launay: The main shift has been moving the Niagara Escarpment Commission—\$2 million—and also land use planning functions. We've now linked up all our municipally related planning as well as our environmental assessment and Environmental Bill of Rights work, as the deputy said. This was in part to meet the government's commitments to the greenbelt and so that we would bring all our land use planning together into one place in the ministry, which is within our administration program.

On the main office spending item and the \$1 million that it's up, none of that is the minister's office. That is primarily in a transformation office that we've created for our whole ministry. So it resides in the administration line item here, but it is an office that is helping us make the changes we need to modernize ourselves and meet the government's priorities. We also had in that some funding—we had chronic underfunding in our deputy's office, which was addressing policy issues and strategic management issues of the ministry.

Mr. Miller: So should I be able to find a corresponding reduction somewhere else, and where would I find that?

Mr. de Launay: Yes. For one large part of it, you would find reductions in the "Natural Resource Management" item, which is on page 47. You will see on page 49, just near the middle of the page, the transfer of the Niagara Escarpment Commission to "Ministry Administration." That's the \$1.994 million out that then comes into "Ministry Administration" on page 35. That's the largest single amount, and then the line item above that, the \$307,000, would address some of the planning and environmental assessment transfers. Then you'll notice, if you go through all the estimates, that we have in many of the programs an internal reallocation on our transformation—you'll see that line in most of them. Parts of that have gone to the different kinds of things the deputy is talking about: policy enhancement and communications enhancement.

Mr. Miller: On page 34, under "Ministry Administration," I note that salaries and wages are going up 23% to \$17.3 million, a \$3.2-million increase. Is that tied to the realignment, or is there another explanation?

Mr. de Launay: Yes. Those numbers you see on page 34 are essentially taking the numbers from the page before it—only it's a different form of accounting. It's primarily a realignment issue.

Mr. Miller: On page 49, can you explain the sunset portion of the former Ontario Living Legacy funding of almost \$6 million?

Mr. de Launay: Yes. Living Legacy was a project for a number of years in our ministry that we had funding

for. This was when we wound down the program and we had some goals around regulating parks, regulating conservation reserves and other issues related to that. When we met most of our goals—we have some ongoing work, but we've accomplished most of the goals around regulating the parks and conservation reserves and that—we wound down the special funding we had for OLL.

Mr. Miller: Does it mean you didn't spend the \$6 million you previously allocated?

Mr. de Launay: No; this is a planning number. So we're saying that where we had \$6 million for Living Legacy funding, we don't have it going into 2005-06. It's not unspent money; this is a planning number going into 2005-06.

Mr. Miller: So all the parks are planned, all the reserves are planned. I thought we were just midway through that process.

Mr. de Launay: We have met most of the regulations. There is the challenge of having management plans in each of those parks, and so that is now part of our ongoing work in our natural resource management program.

Mr. Miller: The ministry is involved in watershed-based source protection. Can you tell me how much money you spend on that in a year, or what's budgeted for this year?

Mr. de Launay: Again, starting on that page where we just were, page 49, we have \$4 million that's coming to the ministry for source water protection.

Mr. Miller: Coming to the ministry, you say?

Mr. de Launay: That's right. This explanation on page 49 shows the money out, when we're doing our planning, and then money coming into the ministry. We have \$4 million coming into the ministry to address our role in source water protection.

Mr. Miller: Where's that money coming from, sorry?

Mr. de Launay: This is from central revenues.

Mr. Miller: OK.

Mr. de Launay: When we do our estimates, what these pages show is the money that's going out, such as winding down Living Legacy, and then money coming in from the central revenue fund from taxation and other sources. Our role in the source water protection is related to our role with the conservation authorities, where that legislation is under our authority. We are the main point for the government in its relationship with CAs. This is also for some of the work we do on mapping and some of the work that we do on other areas related to our mandate around surface water management.

Mr. Miller: Just mapping of water—I know recently, I've had a situation in my riding where in Three Mile Lake the last few weeks there's been a blue-green algae bloom, a fairly significant one, over the lake. I know the residents of the lake are quite frustrated because they can't seem to get any level—provincial government, anyway—to assume any responsibility. They discovered it themselves. I may get the chronology wrong, but they discovered it themselves, and I think they probably called the Ministry of the Environment and got them to

establish that, yes, there is a blue-green algae in the lake, and then I think the health unit put out an advisory, nothing too definite, just an advisory that there was this algae in the lake. Beyond that, the people have been very frustrated as to getting somebody to test the water or somebody to take further action to clean it up. Does the Ministry of Natural Resources play any role in a scenario like that that's happening in Three Mile Lake?

Ms. Beggs: The Ministry of Natural Resources doesn't have a direct role in what's happening in Three Mile Lake. Just from my own personal experience, I am aware of programs that are run under the Federation of Ontario Cottagers' Association, where they have support for cottagers' associations in assessing their water quality, diagnosing problems and taking remedial action. It would be my suggestion that if there is a cottagers' association or someone who is very interested in that, a connection made to the federation might be very helpful. I believe that program has a partnership component with the Ministry of the Environment, but I don't know all of the details on it.

1540

Mr. Miller: So in source water protection and MNR maps—is that just mapping the body of water, mapping water levels? Explain that more to me, if you don't mind.

Mr. de Launay: I'm only partly answering, because this is what I used to do as the director of lands and waters, so I'm looking to the ADM responsible. I'll give you a short answer.

In terms of source water protection, it's not only the mapping. We do manage surface levels to some degree, so the dam system, for instance, that keeps the levels in your area, in the Muskokas, is a series of dams that are managed by MNR. Related to source water protection, we've had water management planning, particularly with our hydroelectric partners. We've been through processes, and I know in your area we've been doing that as well. That's been, as I say, water management planning linked to hydroelectric facilities.

So for source water protection, across the government, the Ministry of the Environment has the lead. Other ministries have a role to play, such as Agriculture and Food on nutrient management, and we're still building the foundations. The final legislation on source water protection has not been passed, so the final shape of what that looks like on the landscape and exactly what our role will be in implementing it is still not completely determined.

Ms. Beggs: Maybe I can add just a little bit of detail on source water protection, Mr. Miller. Our role is contributing expertise for provincial surface water quantity monitoring, information management—

Mr. Miller: What was that? Sorry—quantity?

Ms. Beggs: Quantity monitoring. We have a quantity monitoring system headquartered in Peterborough—watershed planning, water budgeting, watershed management and crown land and resource management planning. As well, the ministry has the provincial lead through the water resources information program to establish a

province-wide data and information management system that will support source water protection planning, so we're building that as part of the partnership with the Ministry of the Environment and the partnership with both municipalities and conservation authorities that will ultimately lead to a more fulsome program on source water protection.

Mr. Miller: Thank you. I just know, speaking from the perspective of residents who live on Three Mile Lake—and I can think of another spot in my riding that's had some blue-green algae problems, Sturgeon Bay on Georgian Bay—the councillors and residents and the cottagers' association are quite active in trying to do something about it. There's a real level of frustration, not so much with the Ministry of Natural Resources but more with the Ministry of the Environment, that they can't get any responsibility to land on the provincial government to actually assist them in the actions they're trying to do to improve the water quality and to deal with the algae problem. There is definitely some frustration out there to do with that.

Switching to a slightly different topic, the topic of cold-water lakes and the science around determining the level at which a cold-water lake can be developed in terms of cottage lots on the lake and man's use of the lake, how often is the science to do with that situation updated?

Ms. Beggs: I'm not current on how often, but I will tell you that in the Ministry of Natural Resources, in our science and information resources division, we have a number of scientists who have been working on the capacity of cold-water lakes to sustain cottage development. They have had ongoing programs that they have worked on in conjunction with fellow scientists from the Ministry of the Environment to determine the capacity of cold-water lakes. That science has been refined, to the best of my knowledge, for at least a decade. It's captured in a protocol arrangement that allows us to offer assistance as a provincial government to municipalities as they plan, through the one-window approach, to decide on how much development to have on lakes within their jurisdiction.

Mr. Miller: The reason I asked the question is that a few years back, on a couple of occasions, I had constituents come to me and complain that the science MNR was using—and their official purpose is to advise about whether development should or should not happen on a lake—was outdated and in fact flawed. I'm not a scientist, but it was I think 777 being dissolved oxygen and a couple of other components. I believe it was a Muskoka-based scientist who came up with the original model, but the complaints were that it was outdated and in fact flawed. So that's why I asked my question about whether you're still using that one, or whether you're actively updating it on a regular basis and what the current model is.

Ms. Beggs: I can't tell you for sure if the actual criteria has changed since you heard that complaint from somebody in your riding. I can tell you that we have

ongoing research, and we do incorporate into our policies, both in the Ministry of Natural Resources and the Ministry of the Environment, the latest and best science in terms of the protection criteria. I can also say, from personal experience, that I have the utmost confidence in the scientists in the Ministry of Natural Resources. We have world leaders in the science of cold-water fisheries and habitat criteria, and they have acclaimed reputations internationally. So you have my undertaking that we will incorporate the most recent science, and you certainly have my opinion that our science is second to none.

Mr. Miller: Sticking with science for a second, do you have a process to do with forestry guidelines? I know, as I travelled the north and met with all kinds of different people connected with the forestry sector, they tend to complain about some of the guidelines MNR has to do with protecting species based on what they see in the field. They asked me that it be updated and that you use the latest science and review it, because they'll point out situations in northwestern Ontario where bald eagles are protected and there are thousands of bald eagles around. They've spent half a million dollars to move a road so they don't get within 800 metres of a bald eagle's nest, only to have the bald eagle move and build a nest right up where they built the road—and stories like that. So my question is, do you on a regular basis update the science that forms the guidelines for forestry practices?

Ms. Beggs: Yes, we do. We actually have a legislated requirement, under our class environmental assessment for forestry management, to work with both a provincial forest policy committee and a provincial forest technical committee. The provincial forest technical committee is chaired by our ADM of the forest division and contains on it scientists and representatives from industry, the environmental community and the academic community. That particular committee has undertaken an ambitious job of revising all of our forest management guides, the ones that you're referring to that would protect wildlife species like bald eagles. They're in the process of working through those guides and, in revising the guides, are bringing the best available science into the guides.

In terms of bald eagles, I believe, and I'll look to Deputy Minister Wilson to correct me if I'm wrong, that they are a species at risk in Ontario. Like the anecdotal information that you've received, it's my understanding that bald eagle populations are recovering, they're getting better, and the province is in the process of looking at what is required for the future. We're anticipating that with that review, there may be a move to delist that species. Indeed, if that happened, that would be reflected in practices on the land base and in guidelines that would have been established to protect the species.

Mr. Miller: On page 39 of the estimates, the geographic information program is being substantially cut by \$6.8 million, or 16.6%. I'm wondering what the explanation would be for that cut in the geographic information program.

1550

Ms. Beggs: Maybe I'll start, and hopefully David can fill in.

Our geographic information program contained within it a special initiative that we called GeoSmart. This was a pot of money that we had available for communities to apply to, to upgrade their geographic information systems and data in support of their activities. We have wound that program down, and I suspect—

Mr. Miller: So is this work completed, then? Is that why it's wound down?

Ms. Beggs: I believe municipalities and communities will have ongoing needs to upgrade their geographic information systems, but for financial reasons we've taken a look at all of the priorities within the Ministry of Natural Resources and had to wind that program down. So we are completing the work with communities that had received grants or commitments from the program and are not accepting new applications in winding down the program.

Mr. Miller: Thank you. Sorry; I'm starting to run out of time, and I wanted to get one point in on a different topic.

I note from my earlier question on the bear wise program that it was \$5 million for the cost of that program. You're pointing out places where you are saving money. One of the decisions the minister made was to close the Leslie M. Frost Centre. What was the cost saving—this has been over a year now—in closing the Leslie M. Frost Centre? We know that the bear wise program, based on the piles of newspapers I'm looking at, while it may be playing a role in educating the public, it certainly isn't dealing with the problem of nuisance bears. I'd like to relate that back to how much money was saved by closing something that was considered to be a very important public asset, the Leslie M. Frost Centre.

Ms. Beggs: David, can you take that question?

Mr. de Launay: It was a very tough decision, as you know, for us to do that with the Leslie M. Frost Centre. We were saving \$1.2 million a year. It had come to the point where most of the budget was going to the running of the dormitory and the kitchen. So when we looked at our priorities in the ministry, this was one—we were trying to fund all the different pressures—

Mr. Miller: So \$1.2 million: Was that the operating cost? I know they were also dealing with things like water systems, which parks were as well. Of course, the rules changed on that. So was that the operating?

Mr. de Launay: That's the operating. But you're absolutely right; the capital cost was a big question. When I met in January with the group chaired by Dr. Desbiens looking at what could be done with the centre, we had a good, long talk about that, because with the new drinking water regulations we had our own upgrades that we were going to have to do. With the new drinking water regulations, it was going to cost significant amounts of money. So we had capital investments that we had to make.

Mr. Miller: That will have changed now, because the rules have changed for drinking water systems.

Mr. de Launay: And I'm not clear enough on the new rules to know how it would apply—

Mr. Miller: It saved \$28 million for Ontario Parks. It would save some money for the Frost Centre, and many thousands of small businesses across the province.

Mr. de Launay: It's quite possible, yes. There were the two issues, though. There was an operating line on which we were able to save money, and then there was a cost-avoidance issue, I guess you could call it, in which we were looking at significant capital outlays, potentially.

Mr. Miller: I guess my next question would be, then, there was a lot of training done for the Ministry of Natural Resources at the Leslie M. Frost Centre. How much is it costing you to do that training now that you are no longer doing it at the Leslie M. Frost Centre?

Mr. de Launay: We don't have an overall costing of the training costs. What it has forced programs to do is look for other alternatives, such as using our own buildings, using other locations—Geneva Park, for instance; the YMCA—where we get a very good price on it.

Mr. Miller: But still, you'd have to take the \$1.7 million and subtract off of that whatever you spend on training in places like Geneva Park, which, as far as I know, is a private business. The YMCA runs that, I believe.

Mr. de Launay: That's correct. It's the YMCA.

Mr. Miller: You don't have a figure for what you would have spent on training?

Mr. de Launay: No, I don't.

Ms. Beggs: While David doesn't have the figure, one other point that I think is important to understand when you're looking at the estimates for a ministry like Natural Resources, with our staff located across the province from Kenora to Cornwall, is that we have tried to reduce our travel budget by delivering training using other vehicles closer to home for some of our programs. We've put trainings on compact discs that people can do in their offices. We've introduced a videoconferencing system in the ministry, where we find that we can make effective use of videoconferencing and reduce our travel budgets. Travel from the far-flung areas of the province to the Leslie Frost Centre was an additional cost over and above the operating costs of the centre that we're hoping to defer by using alternative techniques.

Mr. Miller: Thank you. One big reduction in the budget—and I haven't found it in the estimate papers, but the capital expenditures for the ministry go from \$74 million, according to the actual budget delivered in May, down to \$53 million planned for this year. That's a pretty substantial reduction.

Mr. de Launay: Yes. The capital increases and decreases you'll find in mainly the Natural Resources management infrastructure, which is page 65. On page 67 you can see a list of reductions.

Mr. Miller: I note that one of them is dam rehabilitation, which is another thing I hear a lot about in my riding of Parry Sound–Muskoka because there are so many small lakes and water controls. I've had hundreds

of letters—whenever there’s a study done on a particular lake, I usually get just about every cottager on the lake writing me, voicing their opinion about what they would like. They usually want the status quo, meaning MNR looking after the dams. I see there’s a reduction in dam rehabilitation of \$3.2 million, so that would certainly be of concern to me.

Ms. Beggs: Dam rehabilitation is an important priority. We are very sensitive to the need to keep our dams in excellent shape for public safety reasons. We have been working in the ministry’s capital program with assessing all of the ministry dam infrastructure, prioritizing the needs and working through in a concerted fashion on remedial efforts on dams that require work to be done on them, and we’ll continue to do that.

We had a reduction in our whole capital program and had to establish priorities, and the reduction that you see in the dam maintenance program is a reflection of the need to set priorities across the ministry. That being said, I can assure you that when a dam needs to be repaired, we put it at the top of the list for our maintenance work.

Mr. Miller: So you can assure me that places won’t be getting flooded out because of dam collapses?

Ms. Beggs: I can tell you that in Ontario not all of the dams are Ministry of Natural Resources dams. For Ministry of Natural Resources dams, we have a very high standard for public safety. I believe, and I stand to be corrected, that the ones that we set for our ministry infrastructure are higher than the Canadian safety standards,

Mr. de Launay: Not to prolong this, but just to clarify, that \$3-million number decreases for maintenance and rehabilitation across all the programs. The next line item is the dams, which is \$1.4 million. So it’s down, but we still have a significant amount of capital going into maintenance of dams.

The Acting Chair (Mr. John Milloy): Mr. Miller, you have about one minute left.

Mr. Miller: Thank you very much, Chair.

You mentioned, in delivering the minister’s opening speech, water power and some of the new projects; one in Kapuskasing, I believe, which you said is going to bring 20 megawatts of power on. How many bids have you had for water power projects and what sort of total capacity in megawatts is there out there that we might see in the next few years?

Ms. Beggs: So the question is, how many bids have we had for water power projects, and what’s our capacity for the future in terms of water power projects? Kevin Wilson, my assistant deputy minister, natural resources management, will bring that to the table.

Mr. Wilson: Thank you, Deputy. As of 2005, through our competitive site release process, we’ve received 57 expressions of interest for water power; 18 of these expressions have been qualified for release. MNR is releasing for development 13 areas across the province; we have received nine submissions for the 13 areas. Two competitions have not yet closed, so we expect there will be other opportunities arising.

There’s a fairly substantial untapped water power resource still left in Ontario. We’re working closely with the Ministry of Energy. Our release of our new policy is to free up crown land for water power development. Our goal is to really assess the technical feasibility of the proposals coming forward to ensure that they are working with First Nations and the communities in which the water power will be developed, in turn working and coordinating with the Ministry of Energy so they are wrapped into the RFP process they are sponsoring as well.

Mr. Miller: Is that nine separate projects?

Mr. Wilson: Nine submissions for the 13 areas. So this is very much work that’s underway. It will take some time before these facilities are brought on-line for production by the time they go through the Ministry of Energy’s RFP process.

Mr. Miller: A couple of years?

Mr. Wilson: Depending on the size of the endeavour, they can be quite capital-intensive projects. There are EA requirements they have to go through as well. Larger projects—it could take a couple of years to bring them on in terms of production.

Mr. Miller: Thank you for your answers today.

The Acting Chair: I have to cut you off right there. First of all, thank you very much to the deputy and her team for coming forward under rather unusual circumstances, and thank you to the committee.

The committee will stand adjourned until Monday morning at 9 a.m. There are exactly five hours and 37 minutes left for the Ministry of Natural Resources. The committee is adjourned until Monday.

The committee adjourned at 1602.

CONTENTS

Thursday 29 September 2005

Ministry of Children and Youth Services	E-543
Hon. Mary Anne V. Chambers, minister	
Ms. Trinela Cane, assistant deputy minister, policy development and program design	
Mr. Gilbert Tayles, acting assistant deputy minister, youth justice services	
Ms. Colette Kent, acting assistant deputy minister, business planning and corporate services	
Mr. Robert Rupnik, director, financial planning and business management	
Ms. Lynne Livingstone, executive director, Best Start, strategic initiatives and Early Years program	
Ministry of Natural Resources	E-569
Ms. Gail Beggs, deputy minister	
Mr. David de Launay, assistant deputy minister, corporate management division	
Mr. George Ross, assistant deputy minister, field services division	
Mr. Kevin Wilson, assistant deputy minister, natural resource management division	
Mr. Bill Kissick, director, forest sector competitiveness secretariat, forest division	

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