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Friday 27 January 2006

**Standing committee on
finance and economic affairs**

Pre-budget consultations

Journal des débats (Hansard)

Vendredi 27 janvier 2006

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: Trevor Day

Président : Pat Hoy
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Friday 27 January 2006

Vendredi 27 janvier 2006

The committee met at 0904 at the Best Western, Cornwall.

PRE-BUDGET CONSULTATIONS

CITY OF CORNWALL

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. I would ask the city of Cornwall to come forward. Good morning.

Mr. Phil Poirier: Good morning.

The Chair: You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Poirier: Thank you, Mr. Chair. My name is Phil Poirier. I am the mayor of the city of Cornwall. It's my pleasure, on behalf of my colleagues on city council, to welcome you to Cornwall. We are very pleased to have the committee in our area, to allow various individuals and organizations to be part of this pre-budget consultation process. I'm joined, on my left, by our chief administrative officer, Mr. Paul Fitzpatrick, and on my right, by our manager of financial services and our treasurer of the city of Cornwall, Mr. David Dick.

The Cornwall and area economy has suffered considerable negative news during the past 18 months, with industrial plant closures, layoffs and the associated effects throughout all commercial sectors as a result of less disposable income being circulated in our local economy and area. Given our current economic climate, and to assist with our economic renewal efforts, we have had a number of meetings with provincial officials, including the Premier and a number of cabinet ministers. An interministerial task force has been established to work with Cornwall on a number of issues. In addition, Mr. John Tory, leader of the official opposition, was in Cornwall recently to hear some of our concerns relating to provincial government matters, and we're very appreciative of that.

The city of Cornwall must deal with a number of challenges as it attempts to continue to deliver the services and programs its residents deserve and expect, while at the same time having limited means with which to generate revenue. Mr. Dick will be presenting a few of the most significant issues that the city of Cornwall would ask the committee to consider as part of its consultation process.

Mr. David Dick: Thank you, Mr. Mayor. I've put a number of slides together. I may not have time to go through all of them, but my attempt here is to go through what Minister Duncan presented to the committee. I looked at some of the economic forecasts the province put together and was trying to make some comparisons between the city of Cornwall and the province, and I wanted to make some contrasts between the city of Cornwall and the province.

These two slides really represent some comments Mr. Duncan made to the committee in talking about revenue growth and things like that, and where they spend their money, primarily in health, education and child services, which, coincidentally, is a significant portion of municipality's expenditures as well. They have deficits projected right through to 2007. Debt servicing represents about 11% of the total expenditure base. They talk about, on the positive side, unemployment rates decreasing to 6.1% in 2008. I'm just going to use those as the guideline, and I'll speak to some of those issues and to some additional ones. Those are just some graphs I took from the presentation the minister made.

One important one on this screen is that the province has included, in expected income from government enterprises, significant cash inflows from OPG. That's an issue that's dear to our hearts in Cornwall, because we have a power dam here, and in terms of some fairness issues, we don't think we're being fairly represented in the amount of money we're getting for OPG. I'll speak to that a little later.

In terms of the municipal economic outlook, one of the things I tried to do—I know you hear these same stories all the time, so I've tried to present here the level of growth that the city of Cornwall has experienced over the last number of years. It certainly is not staggering. In 2005, at the end of this current year, we expect supplemental taxes to be \$805,000. That's not all new growth that we experienced in the current year. We're expecting \$572,000 in 2006, and we're projecting \$600,000 for each for the next two years.

What I've tried to do on the bottom—you'll see that it's called "arbitrated wages." I've just taken those four services that we provide, net of provincial and county tax dollars, what it's costing the city taxpayer for wages for police, fire, our home for the aged and land ambulance. You can see that when we get past the current year, just those costs alone exceed our ability to generate new

wealth. We don't have a base of projected personal income tax growth or corporate income tax growth, as the province does. Really, the only new income we get is from assessment, and we don't have new assessment.

If you look at the bottom two bullets, our growth in 2006 is expected to be 0.85%, which probably generates, in our case, \$350,000 to \$380,000. The provincial average is 2.45%. In terms of our dollars, that would probably be \$1.3 million. So there's a significant difference between what we're getting and what the rest of the province is getting.

In terms of population growth, our population has in fact grown from 1991 by about 300 people, on a net basis. The provincial average is 19%; ours is 0.4%.

Some additional things: The province talks about declining unemployment or increasing employment rates. We've lost approximately 2,500 fairly significant jobs over the last 15 months, primarily 1,000 from Domtar. The impact on our disposable income is significant, and I'll show you a screen on that one.

0910

The province recently announced this new funding program called OMPF, and I'll speak just briefly about that. I know we have an audience with the finance minister in a few weeks, hopefully, and I'll give more details on the impact it has had on our finances.

I want to point out that we're not just looking for handouts; we're looking to help ourselves. We may need some more help, but we are helping ourselves. Downloaded services, I think, is one that you've probably heard at every conference you've sat in at.

Again, we've lost 2,500 jobs. If you look at this graph, we've conducted a study through this tax firm out of Hamilton, and their study says that out of 67 municipalities in the province representing 82% of the population, the city of Cornwall has the lowest per-household income. That's with Domtar in there. Once we take Domtar's numbers out of there, which are probably, and I'm guessing—the household income is probably going to raise that number to \$60,000. Once we take that out of that \$44,000, I would guess that we're probably going to be closer to \$35,000. The ability for us to afford to continue to pay for services is diminishing as we speak. Just to compare it, the maximum is \$95,000 and the average is \$67,000.

Funding imbalance is something that the province has been talking to the feds about on a continual basis, and I think they're talking about a funding imbalance of \$23 billion. The new OMPF formula that the province has provided—and I must say that it certainly is a help to the city of Cornwall. I am one who really likes this program because it recognizes those communities that have low assessments and it recognizes those communities that have high social service costs. We have both.

But if you look at the third line, which says "Entitlement," our entitlement based on the formula should be \$13,622,000. Because of this convoluted formula on capping, they're actually shortchanging us by some two million bucks. We're not getting it because there's a

formula that says you can only get so much more per household than what you had in 2004. There's a real flaw in that formula, which I presented to the Ministry of Finance. Basically, the response I got was, "Those are the rules. We can't change them." So the city is being shortchanged. Although our assessment is low and our cost of social programming is high, we're being shortchanged by \$2 million. It's a similar circumstance that the province keeps telling the feds about the \$23 billion.

Helping ourselves: We've established a brownfield program. We have invested \$250,000 of our own money into brownfield redevelopment. Because of the doctor shortage, we have established a fund of \$300,000 that's assisting us in acquiring not only relocated doctors, but it's also potentially providing a scholarship fund for doctors. We'll have the condition attached that they have to come and work in the community for five years after they graduate. We've established a renaissance program, which is really for improvements for residential units in our older downtown section. We have contributed about a million bucks over the last six years. New development is Heart of the City, which is to try to provide funds for rehabilitation of the downtown commercial properties. Our council has made a decision not to have development fees because we think that's a deterrent to new development.

Local service realignment: In the new formula, they don't say anything about the cost of land ambulance or public health. I know they talk about the funding going up, but based on my calculations, we've lost well in excess of \$1 million from provincial sources that now have to be picked up by the tax base, particularly land ambulance, and I know you've heard this one before. Where the province said it's going to be 50-50, our calculations suggest that the province is giving us 33.4% of funding for land ambulance and not 50%. What that means is that we've enhanced the level of service but it's all on the backs of the taxpayer.

The province inherited a deficit from the previous government, as we're all aware, so they suggest. We are not allowed to have deficits. The Municipal Act under section 289 doesn't allow municipalities to have deficits; we can't do that. So our options are either to take it from reserves, if reserves are available, or to cut programs. Unfortunately, that's what we've had to do over the last number of years. The capital budget that we've had is probably at the bare minimum. We can't forgo any more infrastructure needs, because it's going to be at a point where all the roads will be crumbling. We've tried to keep the minimum amount for operations, but because we can't go into deficit and we've made a choice not to borrow for operations, which I don't think anybody should do, that's the situation we're in presently. We make sure that our level of expenditures can be financed, and we try to minimize what our expenditures are, based on our level of revenues. I think sometimes other people budget expenditures first and then they say, "Okay, we'll find the revenues for it." That's increased taxation, which unfortunately at the municipal level we can't do.

The Chair: I just remind you that you have about a minute left.

Mr. Dick: I've got two slides left.

Policing: We have an international border, and it has never been recognized that we have a significant level of police costs here.

I mentioned we reduced capital.

The power dam is one that is fairly dear to my heart, certainly in terms of what the assessed value of the power dam is. In our calculations we've experienced a shortfall, since 2001, of almost \$39 million. Those are the numbers that we should be getting, and we've actually received \$229,000.

In conclusion, costs are rising at rates that exceed our ability to finance. Downloaded services are not being funded at appropriate cost neutrality, which is what the government of the day said when they were downloaded. Assessment and related growth are at levels far lower than the provincial averages. The issue of fairness, particularly the OPG issue.

Living within our means while providing appropriate service levels: We have our own fire, police and transit. It's an issue that we have to provide in our community, and we're finding that we're at levels we can't really afford to continue funding unless we get some assistance from the province.

That's it. Thank you.

The Chair: Thank you for your presentation. This morning's questioning will begin with the official opposition.

Mr. Tim Hudak (Erie–Lincoln): Thank you very much, Your Worship and Mr. Dick, for the presentation today. It's always nice to come to Cornwall, which I've had the chance to do many times before, but it's with sadness with the recent major loss of the Domtar jobs. I know that eastern Ontario, sadly, is a bit of a poster child for the loss of manufacturing jobs in this province. In 2005, approximately 55,000 well-paying manufacturing jobs left the province, and Cornwall was among the hardest hit of the communities.

It's good to hear that there are some meetings arranged. What we found frustrating, though, is, for example, the parliamentary assistant to the Premier himself describing communities like Cornwall that express their concern as crybabies. We find that kind of attitude highly unfortunate, and I'm surprised that he continues to serve in his capacity as the Premier's parliamentary assistant.

At any rate, in terms of the major issue that's before the city on the job losses and the impact on disposable income and the spinoffs in the community, what is the first best thing that the province could do to try to spur job creation in Cornwall and eastern Ontario?

Mr. Poirier: In relationship to your question, we are working collaboratively in regard to economic development with a regional task force. The one way that the province could help is a guaranteed sustainable level of income that is in fairness to what we deserve. If you were to take the OPG funding, for example, that would represent a fairness of \$8 million a year. Even if we were to

be halfway there, you can appreciate that that cost would then be relevant to the revenues that we need to offset the downloaded services.

Education tax is another one. We have one of the highest education taxes in the province. We did a calculation, for instance, that if we were to reduce the education tax by 25%, just in the middle, that would put us in the middle of the province. It would allow us to return to the businesses and the commercial establishments and put us in a more competitive position. Those are the types of scenarios that have existed, not just today, that we feel are unfair situations.

We have a loan with our downtown revitalization program, and we've asked for an extension of approximately 30 years. Simply speaking, it's a mortgage on a home and we're asking to extend the mortgage. If we extended it by 30 years, it would allow us to take an additional \$300,000. We still want to pay it back to the province, but that \$300,000 we would then plow back into the revitalization of our community. It's not a new item in the budget. It's not a line item that you would have to create.

Those are some of the issues that we've been putting forward to various ministers. Those are the types of things that we've made the task force aware of, under the leadership of Minister Cordiano, who is the chairperson of that task force, as well as others.

We're not really asking to reinvent the wheel or for a new line item or for new monies that are difficult to find—we can appreciate that—but just to consider some of the slides that you've seen here. Really, when you look many years back in history, it was owing to us in the first place.

0920

The Chair: Thank you. We'll move now to Mr. Prue of the NDP.

Mr. Michael Prue (Beaches–East York): If you were in the position not to cut any services—this is tax time—how much would you have to increase your taxes municipally this year to maintain the level you had last year? I know you may have to cut services instead, but if you were to maintain them, what kind of level of tax increase would the citizens of Cornwall be looking at?

Mr. Poirier: Right now—we'll be deliberating again on Monday of next week—to achieve a 3% tax levy over and above last year, we have to remove an additional \$3 million from our budget. In concert with that, the other impact that we're looking at is that the average assessment to the residents in our community is approximately 8%. For us to come back with a zero increase, we'd have to remove approximately another \$6 million. To do that, we'd be mandated to remove services and programming and have layoffs. And even at that, the ratepayer would still have an increase.

To come in at a municipal level with a 2% rate increase, taking into consideration the mandated collective agreements, cost of living and high cost of energy, 2% would be an acceptable amount. But if you compound that with the assessment, which is an average of 8%, the

average ratepayer or business will be looking at a minimum of 10%. That's where we're at. The mandated uncontrollable programs that we're faced with are just eating away at our revenue, and it just keeps going up. If we look at the cost of land ambulance prior to the province downloading it to us, the salaries have more than doubled, and we have no control over it.

Mr. Prue: In terms of the download and the upload, there have been many mayors across northern Ontario, where we've been in the last few days, talking about uploading many of the services. The big five, other than education, are child care, health, welfare, social housing and land ambulance. If they could be uploaded, what kind of a difference would that make to Cornwall?

Mr. Poirier: It would have a significant positive impact on our budget. We're talking millions here. Mr. Dick, did you have a comment?

Mr. Dick: I think the bigger issue is that the service you're getting is the best service you've ever had. I don't know that anybody wants to upload those services back to the provincial level. I think we want to continue to deliver them; we just want our fair share. If you look at land ambulance and the requirements the province instituted in terms of response times, they couldn't do it when they were running it. But now municipalities are expected to do it, so it costs money to do it. The service is being handled extremely well. It's just that we can't afford to do what the province is mandating us to do.

The Chair: Thank you. We'll move to the government and Mr. Lalonde.

Mr. Jean-Marc Lalonde (Glengarry-Prescott-Russell): Thank you very much, Your Worship, for taking the time to come up and address the committee this morning, knowing that you're really the mayor who is representing the whole of Ontario, because you're at the eastern gateway to Ontario when I look at this beautiful area.

You were saying that you lost 2,500 jobs over the past 18 months. When the ethanol plant is opened—let's hope it's going to open soon—and also the call centre, how many jobs will those two create?

Mr. Poirier: Mr. Fitzpatrick, please.

Mr. Paul Fitzpatrick: The ethanol plant is scheduled to create some 40 jobs. The call centre, Teleperformance, which was announced in November, is going to hire 650 people, of which 360 are already working.

Mr. Lalonde: They won't be at the same salary, though. There will be a big difference.

Mr. Fitzpatrick: The mayor talked about the manufacturing jobs, our community history as a manufacturing centre, but in the next few months, the three largest employers in Cornwall will be in the service sector: two call centres of 650 to 800 jobs each, and we have the Wal-Mart distribution centre with some 900 people here in our community. Like a good part of Ontario, we are definitely an economy in transition in terms of losing the well-paying manufacturing jobs.

Mr. Lalonde: My second question—I only have two questions, Mr. Chairman. You mentioned the education

tax. I'm pleased that you brought it up, because this area is paying four to five times more in education taxes at the industrial-commercial level than Parry Sound, for example. Surprisingly enough, when the previous government brought that up, it just happened to be that Parry Sound was in the former finance minister's riding. When I looked at the industries here, for every \$500,000 assessment, you are paying—if I'm looking at the Domtar plant, I'm sure it would range around \$150,000 more a year that you would be paying if Domtar had been in Parry Sound, or even in Oshawa, which is lower than here. I've always said—and our former finance critic, Gerry Phillips, brought it to my attention many times—you are one of the highest, after Brockville, in the province of Ontario. The only way that you could attract industries to this area is to look at the education tax.

Mr. Poirier: Just very clearly, to put in perspective the loss of revenue—what Domtar represents to our community—Domtar's payroll alone is \$80 million. So you factor in 2 to 2.5.

The Chair: Thank you for your presentation this morning.

PAUL CONNOLLY

The Chair: I call on Paul Connolly to come forward, please.

Good morning. You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Paul Connolly: My name is Paul Connolly, and I would like to thank the committee for this opportunity. As a private citizen and as a past president of the Cornwall and Area Chamber of Commerce, I am alarmed at the high level of both residential and corporate property taxes within the city of Cornwall.

Moving here in 1996 from the province of Newfoundland and Labrador, I quickly discovered that my business property taxes were 500% higher than what existed in the previous location. It was the exact same type of billing and the same business. Residential taxes were slightly over double. At first, my frustrations were targeted at the city. However, I discovered, as you on the committee are aware, that a large portion of the city's budget requirements are due to downloading of services. A lot of what I am talking about here piggybacks on what the mayor and the city presented earlier.

As you're aware, property taxes are a major factor in the selection process of corporations when making decisions on where to locate or expand. Here in Cornwall we face the loss of Domtar; in fact, they've made that decision. As well, other industrial companies have also moved out. This, along with the effect on secondary businesses, will erode the tax base. Combine this with the real possibility of a population decline—and we have been stagnant for a long time—as people look to Alberta and other provinces for employment opportunities.

Without a change in how municipalities receive revenue, property taxes will continue to grow. At the same time, an aging population will require services more readily available in cities. We perceive that people, as they age, will move into the city in order to take advantage of health care, transit, etc.

I believe the province of Ontario needs to review its current funding formula in order to significantly increase the funding of required services at the municipal level. Secondly, the province should look at the school tax portion of property taxes as a way to further reduce the burden on residents and businesses.

In the province of Newfoundland and Labrador, a decision was made in the early 1990s to go to a one-school-board system. This decision provided for savings and efficiencies at a time when student populations were declining. Other provinces have followed this example. I believe, based on all current studies, that the province of Ontario should look at this.

Here in the Cornwall area we are currently rebuilding an elementary school and have recently completed the construction of a new Catholic high school. The cost for both projects combined is in excess of \$20 million. Projects such as these seem inappropriate when studies done by the Upper Canada District School Board show a steady decline in student enrolment. This study, combined with census information, reinforces the need for restructuring our current system. Combining school boards would certainly make better use of existing classroom space, as well as reduce administrative costs.

In summary, by taking a more supportive role in funding downloaded services and changing to a one-school-board system, property taxes can and should stabilize. Municipalities, especially those experiencing challenging times, such as Cornwall, can look to a brighter future. Thank you very much.

0930

The Chair: Thank you. We begin this rotation with the NDP. Mr. Prue.

Mr. Prue: I'd like to go, first of all, to the one-school-board system. We had some discussion on this yesterday in Timmins with one of the presenters. It has been the experience in many cities where school boards are amalgamated that in fact the costs went up, not down. Do you have any comment? That's what happened in Toronto, Hamilton, Ottawa. The costs went up, not down; the number of people working went up, not down; the administration went up, not down. Why would you think that this will reverse that trend?

Mr. Connolly: I can only conclude, based on my background, coming from another province, that it did create substantial savings in communities where there were often two schools, both being underutilized. It made sense to combine. There were administrative savings in the sense of fewer administrators that you would need to operate those schools and school boards. I don't have the facts and figures with me, but certainly when we were in the province, we were convinced that these savings were substantial.

Mr. Prue: The savings would come not so much from the administration but combining the kids in one school. I think that's what would happen. When you combine the kids in one bigger school, I guess there could be some savings. Have you talked to the parents about—because then you have to look at busing and you have to bring kids in from wider areas to a bigger school—whether or not the parents want that kind of thing? We've had a lot of resistance over that; a lot.

Mr. Connolly: And I suggest that there would be some resistance, but the reality of space that is available, and if we continue to build schools—there will be a need to replace and build schools as they age and population moves to various other areas, but quite simply, we should look at some kind of utilization and make it a more efficient system than what currently exists. I know the Upper Canada school board projects to have excess capacity of up to 35% within probably 10 or 12 years, and that has me concerned where we're building new schools.

Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge): Mr. Connolly, thank you for being here. Just a comment: In my riding, both the public and separate school boards have jointly built new facilities such that they have separate secondary space but a lot of the common area is used jointly. They've scheduled their lunches so that they're not overcrowded; they take advantage of gym space and theatre space in this very large facility.

I'd be concerned about a single school board in Ontario, respectfully to Labrador and Newfoundland, with a population base something other than we've seen in Ontario and the ability to administer that across the province. I think it might be problematic.

The matter of the downloaded issues: I don't disagree. The mayor in particular commented on the commercial/industrial/education tax portion being in the high end—Mr. Lalonde also commented—of the province of Ontario and we should look to find some balances in various parts of the province where there are municipalities that are well outside the average. I think that's a good move to make. We're suffering still. We're suffering from—and people referenced the downloading. We're suffering from the downloading of the previous government. We have to not only fulfill the commitments that we've made but also try to get municipalities back to where they should be. It's going to be a bit of a long road and it's an uphill battle in many respects, but we're moving in that direction.

One particular area that I think the committee should be looking at when we get to our report-writing stage is the whole issue of land ambulance. Commitments were made that it should be on a 50-50 basis and we should be looking to get back to that and still respect the service level the municipality provides if it is far better than was being provided by the province when it ran the system.

The Chair: Do you care to comment at all?

Mr. Connolly: I would have to agree with the member. The issue of services being uploaded probably, in my opinion, is not the way to go. I simply think they

should be operated at the local level. I think there are efficiencies there. But clearly the funding needs to be there in order to make that happen. For the average citizen and clearly for businesses in communities such as Cornwall there's a growing tax creep that will continue to make it more and more difficult to be competitive. So anything the province can do, we would certainly support.

Mr. Hudak: Thank you, Mr. Connolly, very much for the presentation. I think a number of people will bring the case forward about a single school board system. I believe in choice for parents in education; the more choice that people have, I think the better quality results. But I do appreciate you bringing your point forward, and we'll look forward to the other presentations.

I think you hit it on the nose. The high level of taxation that businesses have to cope with here in Cornwall and across the province of Ontario, I believe, is one of the main reasons why we've seen some 55,000 manufacturing jobs leave the province, and probably some small businesses have not expanded or invested as a result. In fact, one of the first bills that Dalton McGuinty brought in was a big tax hike—the biggest in the history of the province—that now has Ontario businesses paying practically the highest rate of taxation of any western jurisdiction. I think Saskatchewan might be a little bit higher but is looking at lowering their corporate taxes.

How important do you think it is to lower the tax rate that we put on businesses and working families?

Mr. Connolly: I think it's absolutely critical. We're at the stage, looking at plant closings such as Domtar, where smaller businesses and those businesses that rely on payrolls coming from Domtar etc. will not take the opportunity to expand because their future outlook, if you like, isn't going to be there to say that the prosperity is going to grow from here. I think the concern is that sales and growth of businesses will flatten out or decrease and, at the same time, taxes will have to increase as the city needs to provide the services that they currently have.

Mr. Hudak: One of the proposals that the McGuinty government has bandied about is giving municipalities new taxing authority. The city of Toronto, for example, proposed taxing theatre tickets, alcohol, tobacco, parking lots and who knows what else; various and sundry new taxes. Do you like that approach? Should Cornwall have the ability to levy new taxes on its businesses?

Mr. Connolly: No, I don't. I personally think that the opportunity for Toronto—I know Ottawa was looking as well at trying to have its own ability to add taxes such as a hotel tax etc. In a community such as Cornwall, we don't have the average income that most other communities have throughout the province. It would be a burden on the citizens as well as impact the tourism aspect of this particular region. So I would not support that.

Mr. Hudak: Is there still time, Chair?

The Chair: About 30 seconds.

Mr. Hudak: A last question on hydro policy. One of the reasons we're seeing plants like Domtar and almost a

dozen mills in northern Ontario close down is the policy of closing down the coal-fired plants and seeing hydro prices going up. Do you have any comment on that policy?

Mr. Connolly: Certainly in terms of the province's hydro policy, we need some consistent source of reasonable energy. Until that's in place, I would suggest that this could make it more and more difficult for communities and businesses like ours.

The Chair: Thank you for your presentation.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 26

The Chair: The Ontario Secondary School Teachers' Federation, district 26, please come forward.

Good morning. You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I'd ask you to identify yourself for the purposes of our recording Hansard.

Ms. Dina van den Hanenberg: Bonjour. Good morning. I'm Dina van den Hanenberg and I represent the Ontario Secondary School Teachers' Federation in district 26, Upper Canada. We represent over 1,000 public secondary school teachers, occasional teachers and professional student services personnel. Upper Canada District School Board is one of the largest school boards in Ontario. It covers quite a large area. Our district itself forms a horseshoe around Ottawa-Carleton. We reach from Almonte down to Gananoque to Brockville in the west, through to Cornwall and up to Hawkesbury in the east. So it's very large.

0940

We recognize, as does our provincial counterpart, that the provincial government has identified public education as a priority, and in doing so has announced several initiatives to help improve a system sadly drained.

In our rural settings, stable, long-term funding of these initiatives, which are important to all, will allow for the development of programs offering our youth the same opportunities for a productive and successful future as in the urban communities. Our students are, after all, Ontario's future.

In the written submission you will see that there are eight areas where we are looking for a review. We also include, which probably is rare in these submissions, two areas for savings. I believe all of these are important.

If we look at the first area, responding to inflationary pressures, we know that in the education system there are specific benchmarks identified relating to salaries, benefits, resources, school operations and construction. Unfortunately, they do not reflect actual costs but in many cases are averages taken across the province. So they do not take into account the inflationary pressures, particularly those occurring for benefit plans: the dental and medical plans that are involved in the bargaining of salaries and collective agreements.

Wellness plans and benefit plans are therefore constrained and limited by these shortfalls. So there is a need

for a more realistic method when the government updates the benchmark values.

The second set of priorities that we would recommend is pay equity. The Pay Equity Act was implemented in 1990. When the Upper Canada District School Board amalgamated in 1998, there was supposed to be the beginning of a resolution of pay equity. Unfortunately, our professional student services personnel, including psychologists, psychological associates, psychometrists and speech-language pathologists, have not yet been able to arrive at a pay equity resolution with the board.

The government needs to ensure that appropriate funding is directed to school boards to address pay equity costs in place that are over and above the current funding formula. The Pay Equity Commission on its part also needs to have the personnel and resources to facilitate agreements between school boards and applicable bargaining units in a reasonable period of time. Currently, timelines are so long that many times employees have not been with the board for over five years.

The third recommendation concerns staffing for school support. Since 1998, when the funding formula was introduced by the Tory government, the number of professional student service personnel has been reduced. This continues to be an area where school boards seek savings. Since this particular budget line is not benchmarked, it is often where school boards go to seek out savings.

Some community agencies duplicate the services offered by school boards, but these agencies raise issues of accessibility and affordability within our school board. Our board is large and primarily rural. Parents and students cannot easily travel to central areas where these agencies have their offices. School boards should be the dispensers of services to students and children. Their schools and work sites are locally accessible, and their personnel maintain continuity when working with our youth from early childhood to young adulthood.

Special education funding: Enrolment of special-needs students fluctuates annually; therefore, the funding related to special education needs to reflect the actual needs of the school board panel. Special-needs students actually enrolled in school boards are currently being funded based on data collected from the past five years. There is no true calculator built in that accounts for inflation for the subsequent years when these students need this funding. These students should have the best professionals to address their special education needs, and it is these professionals who are often stressed by the lower funding that is submitted to school boards.

The government currently funds students based on 7.5 credits per student. In our current school board, grades 9 and 10 students take eight credits. In some cases, they may have even more than eight credits if they take after-school music programs or are enrolled in some form of co-operative education program that relates credits to work done outside the school. The unfunded expense of these extra credits is teacher costs. Extra credits mean extra teaching or an increase in average class size. School

boards must make serious decisions, as they must maintain reasonable class sizes and hire teachers for these extra credits.

The government has also announced increased expectations in the number of students achieving a diploma. Again, successful graduation by a large number of students will require an increase in the accumulation of credits. This should be reviewed.

Of special concern in our area is continuing education for adult students. The previous government slashed funding for students over the age of 21 by 75%. Our school board has a very well developed adult education school, the T. R. Leger School of Adult, Alternative and Continuing Education. The school has a teaching staff comprised of regular day school teachers. They have campuses across the district, serving the urban and rural communities in eastern Ontario. Some of these sites are one-teacher sites, addressing the needs of small communities such as Winchester, Prescott and others.

Not only under-21 day school students—younger students—are covered or served by these teachers, but also many over-21 day school adults. The staffing is based only on the funding for the under-21 students. The over-21 students, therefore, are being served without taking into account the amount of money they are receiving, which is minimal. This of course leads to decreased services—larger groups of students being served by the one teacher.

With the government's commitment to providing students with the choices they need to be successful, it would be expected that the government will probably increase funding for students under 18. But the government needs to offer opportunities for these programs to students over the age of 18. It is important that opportunities to take programs such as OYAP—the Ontario youth apprenticeship program—co-operative education and other programs leading to the granting of secondary diplomas be offered to students over 21. We know that today your choices for work are very limited without a secondary school diploma.

It has been announced by the government that English-as-a-second-language programs will now flow from the Ministry of Citizenship and Immigration. We need this money to be directed to publicly funded school boards. Only the adult schools have the access and expertise needed for delivery of the entire continuum of adult education in Ontario. Within our board, again the T.R. Leger School offers over 30 site locations to encourage and accept immigrants who are coming into our community—we know that in Cornwall we are getting a larger community of immigrants who will need these services.

The Chair: You have about a minute left for your presentation.

Ms. van den Hanenberg: Thank you.

One of the other things that's important—and I'm looking at potential savings—is the reinvestment of money in public schools that could occur by elimination of the Education Quality and Accountability Office,

EQAO, which currently oversees standardized testing for grades 3, 6, 9 and 10. There are better and cheaper ways for the government to address curriculum and the productivity of our students. We are suggesting that the government look at that for savings that may be redirected to more funding in the schools.

The Chair: Thank you. This round of questioning will begin with the government. Mr. Lalonde.

Mr. Lalonde: Thank you very much for addressing the standing committee this morning. I believe you're from my area also.

Ms. van den Hanenberg: Yes, a long-time teacher.

Mr. Lalonde: I think John is your brother, a good hockey player in the past.

You referred to special education funding. We found out at one point, when we formed the government, that a lot of the money that was transferred to school boards had never been used. This is why some of the school boards were quite upset when we said, "You will have to send back that money to the government that hasn't been used."

You also referred to the Upper Canada District School Board. They were in real difficulties funding-wise when 16 young students were transferred from other areas who needed special transportation, special needs. The government hadn't transferred the money at that time. I hope this has been resolved.

Can you tell me right now if you feel that the school boards are managing the special education funding properly?

0950

Ms. van den Hanenberg: I must acknowledge that prior to the current funding for special education, our board was probably one of those guilty of storing and banking some of that money. Unfortunately, as a federation which represents some of the support staff who were not hired because that funding was not used as it should have been, we were very concerned about that. The government has addressed that, but it has not addressed the fact that in the benchmarks there is no specific funding directed to support staff. We know that in special education there should be a linking of students needing specific professional services to the professionals who offer those professional services.

Mr. Lalonde: So you are aware that that money was never used for any other purposes. They just put that in the bank and didn't use the money at all.

Ms. van den Hanenberg: Yes, for long-term range. I am aware that the board had done that. We were not supportive of that because we feel the money was designated for students and should have been used for services for students and should continue to be used for services.

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

Mr. Hudak: Thank you, Ms. van den Hanenberg, for the presentation today. We were in Atikokan and Timmins before venturing south to Cornwall. One of the issues we heard in the north was concern about the

funding for rural and northern schools. I understand the minister had made some commitment on improving that formula. Has the federation been informed of that, or do you know the status of that?

Ms. van den Hanenberg: Right now, particularly in our area, we have not been aware that it affects our area, even though, as I mentioned, Upper Canada is probably one of the larger school boards. It's equivalent to 18 times the Toronto school board's area, with only approximately 20 high schools, whereas Toronto has 114. So we're obligated to bus our students. I must support our board in the fact that they have joined with the Catholic board in a busing conglomerate, but it does not restrict the fact that the needs of busing are extreme in this area.

Mr. Hudak: But if the Upper Canada board didn't receive funding from the rural and northern adjustment—

Ms. van den Hanenberg: Oh, they have received some. But the problem is, because it's not designated, the inflationary costs, the cost of gas, are not directly related into that. We do not get the actual amounts of money that are necessary.

Mr. Hudak: One of the proposals the Minister of Education has boasted about is eliminating the right for students to get drivers' licences if they don't stay in school. In communities like Hawkesbury and many of the rural communities that you represent, does the OSSTF support that policy?

Ms. van den Hanenberg: We do support the government's initiative of school to 18. It has never been determined exactly to what extent the driving permits are going to be restricted. Is it going to be that they won't be able to get their permanent driver's licence? I can't speak to that.

Mr. Hudak: I just wonder, in some of the smaller communities that you represent, how you could practically apply that kind of policy.

Ms. van den Hanenberg: That's always a concern. One of the issues about rural students is the co-operative education programs. It's very difficult to find local employers who can support the co-operative education programs. But not all our students are able to drive, nor do they have the ability to have a car to drive, so having a driver's licence is not the major issue when it comes to their gathering credits in school. It may be if they have a job after school, or issues like that, but I know that we've always tried to accommodate students who don't have a driver's licence, so it's not something that I perceive at this time to be restrictive.

The Chair: Thank you. We'll move now to Mr. Prue of the NDP.

Mr. Prue: I'd like to go to the potential savings. You talked about the EQAO, and you said in your statement that there are better ways to deal with standardization and test scores. What are those better ways?

Ms. van den Hanenberg: Well, in the past—I've been an educator for over 30 years, and I can say that every 10 years the whole education system seems to be changing. When the EQAO testing came in, it was quite costly at first for implementation. I think probably

everyone has heard that a lot of the teachers teach to the test, prepare for the test. The actual reasons for this are supposed to be to monitor at what level our students are. There are better ways to do this. There are already international initiatives, which I have been involved in, as a science teacher. There's the international mathematics and science tests, which Canada does exceptionally well in since before the EQAO. The boards have always had consultants. There have always been subject councils to whom the government can turn for information as to curriculum reviews, as to the successful outcome, if you wish, of students in testing and literacy. Boards have always had their internal methods of identifying this. I do not think that the EQAO has brought forward any surprising information that was not already known.

Mr. Prue: You also talked about another potential saving, although I don't think you got to it, the Good Places to Learn, talking about P3s. Have there been any instances in this school board where the government has come down and encouraged or forced school boards to develop P3 plans?

Ms. van den Hanenberg: For the school board itself, no. There have been, though, recommendations that they should look for this. Again, in our school board, it is not necessarily an issue, which is why I didn't reflect it specifically. There are not very many opportunities for the private sector to come in and make money. We are an underprivileged school board. We are an area which has very little commercial richness for them to try to garner some sort of benefit by having a P3 organization. Not only do we feel that anyone coming in here will have difficulty and therefore the costs will increase dramatically over what is currently served by our board, but also it would be very difficult for our area to take advantage of this.

The Chair: Thank you for your presentation this morning.

QUEEN'S UNIVERSITY

The Chair: Queen's University, would you please come forward? Good morning.

Ms. Karen Hitchcock: Good morning.

The Chair: You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Ms. Hitchcock: Thank you, Mr. Chairman. My name is Karen Hitchcock, and I'm the principal and vice-chancellor of Queen's University. It's my honour to be here today to participate in the 2006 pre-budget consultations on behalf of Queen's.

As many of you are aware, Queen's is one of Canada's leading universities. Over the past year, we've been thinking deeply about the opportunities and challenges that we face in the next decade. It has become clear that Queen's, indeed all institutions of higher education, must be responsive to the needs of all of its communities, and also needs to be deeply embedded in

the society which supports it. In other words, it must be an engaged university.

Queen's is a diverse community with over 20,000 students from over 70 countries worldwide and with over 6,000 faculty and staff. We're also Kingston's second-largest employer and contribute over \$1 billion to the economy annually. As an engaged institution, we can and should contribute much towards the prosperity and well-being of our community.

1000

We strongly believe that post-secondary education has a critical role to play in building the future of our communities, province and country. First and foremost, our role is to nurture and develop high-quality students who will become informed citizens and contribute in multiple ways to society. Clearly, the province has recognized the importance of this role with their investment last year as a result of the Rae review. This investment was essential to rebuild the quality that had started to deteriorate in Ontario's post-secondary education system. It was really a wonderful beginning, and we're truly grateful for that investment.

As we look ahead, we see the need for continued investment in our educational system as the number of students continues to grow and the demand for graduate education increases, both from the flow-through of the double cohort and through the requirements of more advanced training, and partly to supply the expected shortfall in faculty to replace those who will retire in coming years. The Council of Ontario Universities has estimated that there is a shortfall of some 9,000 in the number of doctoral graduates needed simply to fill these retirements through the end of this decade.

The Conference Board of Canada reports that Canada could experience a shortage of some one million workers by the year 2020, and in some sectors that shortage is already being experienced. This is not a phenomenon particular to Canada. Retirement in North America is projected to accelerate over the next 20 years. This underlines what will be a growing need to replace our workforce with people with the necessary education and skills.

As a result, the province and the country must compete for talent. A paper recently released by the Association of Universities and Colleges of Canada noted that the demand for replacement of post-secondary trained workers is expected to triple due to upcoming retirements over the next 15 years, again highlighting the need for sustained and increased investment in post-secondary education if we're to compete with the best for the talented workforce that Ontario requires. We must make higher education a competitive advantage of the province.

In addition to educating a sophisticated and versatile workforce, universities also contribute to the economic vitality and quality of life of Ontarians. Indeed, universities, through their programs of research, such as those at Queen's and many other universities, play a significant role in addressing major societal issues. For example,

issues such as clean water, the spread of viral and bacterial disease, and healthy lifestyles are highlighted in the press with increasing frequency and have brought into sharp focus public health issues facing the province.

The Ontario medical officer of health, Dr. Sheela Basrur, recently released her annual report on the state of public health in the province and highlighted the tremendous need for additional human resources and training in this area. She noted that of 36 public health units in Ontario, only 12 were staffed by full-time, properly trained medical officers of health, highlighting the need for new programs to train and support public health professionals.

Queen's has provided expertise and talent to assist the province as it develops responses to public health issues, and we recognize the need to act as a strategic resource in this area. In addition to our dean of health sciences, Dr. David Walker's, leadership of the expert panel relating to SARS, a research program at Queen's led by Dr. Kieran Moore has led to the development of a public health surveillance system that was key in identifying the source of a food-borne salmonella outbreak in bean sprouts in the province last year.

Resources of both colleges and universities need to be enhanced to educate professionals in the front line of response to major public health issues, but also to support research which will allow us to address such critical public health crises as pandemics and bioterrorism. To address this provincial, and indeed national, priority, Queen's is investigating ways that it can draw on its strengths in the areas of population and public health to establish an institute of population and public health which could collaborate with other universities, colleges and government agencies. Such a coalition could position Ontario as the national leader in public health.

Another area in which universities can contribute is as a catalyst in growing regional economies. The Institute for Competitiveness and Productivity has outlined the correlation between the economic performance of jurisdictions and post-secondary education. In their 2005 annual report, the institute stressed the need for continued and increased investment in post-secondary education to bring Ontario into line with peer jurisdictions and to ensure future competitiveness.

Queen's is a research-intensive university and, as a result, can create commercialization opportunities that can benefit the community and serve as a catalyst for economic growth. Commercialization of research is about developing discoveries into potential new products and processes and then helping to support the companies that will bring these new products to market. This is a labour- and resource-intensive process requiring multi-sector support. University, government and private sector investment is necessary if Ontario is to be competitive in the future.

At Queen's, we are very fortunate to have PARTEQ Innovations, a not-for-profit organization that provides Queen's researchers with business and financial expertise to advance their discoveries to commercialization. Since

its inception, PARTEQ has returned more than \$20 million to the university and its inventors and has assisted in the spinoff of 38 companies. PARTEQ now has in excess of 220 patents in its portfolio. But for the province to realize benefits from such early-stage commercialization, these new companies must be supported in cost-effective and creative ways. For instance, a continuing challenge is the need for an environment to nurture start-up companies and to support them through the crucial early stages of commercialization and product development.

Other regions of the province and other jurisdictions across Canada have been successful in the development of multiple university-related research and innovation parks. In fact, we applaud the province's most recent investment in the McMaster Innovation Park. We believe that there should be a network of such incubators to provide that very support across the province, and that the southeast region of Ontario needs to be part of that network. Indeed, at Queen's we are in the early stages of planning just such a facility that would complement the work of PARTEQ and help to keep new businesses in our region.

In closing, I want once again to thank the government for its significant investment in post-secondary education announced in last year's budget. We believe that this was an excellent beginning and allowed universities and colleges to start to make up the shortfall that had been experienced in this province during the last 10 years. However, to expand and grow post-secondary education to compete for talent with the best in the world, we must continue to seek ways to innovate and to invest in post-secondary education. We must also target areas of particular importance to the province, such as public health and the support of early commercialization and university-business partnerships. In doing this, we'll keep the future of our children and Ontario's quality of life in focus.

Mr. Chairman, this concludes my remarks, and I thank you again for this opportunity. I'd welcome any questions.

The Chair: Thank you. We'll begin with Mr. Prue of the NDP.

Mr. Prue: An excellent presentation.

In terms of the amount of money that the government gave last year, you have not been at all specific, and I know it's probably difficult. What kinds of funding are you actually looking for? You got a fair amount last year. How much more are you looking for?

Ms. Hitchcock: The \$6.2-billion investment was just a marvellous, marvellous beginning. Part of the issue is that we are looking at making up lost ground. Once one calculates the number of dollars to universities and colleges across those years, we're really looking, at best, at keeping up with inflation. In the Rae report, they spoke of a stretch target that would bring per student funding not only up to Canadian averages, but up to North American jurisdictions. When we started this, as you know, the investment per student in Ontario was the

lowest in the country. Again, the \$6.2 billion will be a tremendous start towards making up the erosion due to inflation. So we would need a like investment going forward if we were to pull ahead and have Ontario rank at least at the average of Canada, if not North America.

Mr. Prue: So for us to take a role that I think we would all aspire to, it's about another \$6 billion.

Ms. Hitchcock: It would take that over the next decade, I think, to reach the targets we're all looking at.

1010

The Chair: We'll go now to Mr. Hudak.

Mr. Hudak: Ms. Hitchcock, I do apologize; I had to grab my research material. I'm sorry about that.

Ms. Hitchcock: Not at all.

Mr. Hudak: On the topic of tuition, some argue that if there is a deregulated tuition environment or if tuition rates aren't strictly controlled, institutions like Queen's that have an excellent reputation would just become institutions for the privileged; that other students would not be able to attend Queen's. What's your advice on tuition policy?

Ms. Hitchcock: I think the whole issue of tuition deregulation is couched perhaps in too narrow a way. I like to think of it as access. You really can't speak of tuition policy without looking as well at student assistance. Queen's is a leader in the province, if not the country, in the percentage of our operating budget that goes to student assistance. We're deeply committed to access, so as one looks at the contribution of the student toward the education they're receiving, one also has to look at accessible programs for people from socio-economically disadvantaged backgrounds. So we would be increasing our bursaries with any increase in tuition.

Mr. Hudak: Was Queen's successful, as tuition rates have risen in recent times, in maintaining access for families of low and modest incomes?

Ms. Hitchcock: We have been successful. Have we succeeded totally? Can I say that every single student can have the resources provided to go? We're not there yet, but we're getting very close. Our goal is that no student qualified for attendance would not come because of financial constraints.

Mr. Hudak: I was a Western graduate, although I have a lot of admiration for Queen's—I wouldn't want to admit that publicly, but now that's on the record, isn't it?

I did have a chance to do my graduate work in the States, and in the States they have an option of going through a public university or college system. There's also a parallel private system for post-secondary. We don't really have that to the same extent in Canada. What do you think about a little competition in the system, allowing for private universities?

Ms. Hitchcock: Well, I think how one defines "private" is interesting. If you look at some of the private institutions in the United States, they receive quite a bit of government funding. The public universities in Canada receive quite a bit of private resource now, and I think that can be enhanced. You look at the funding, I think, of education as a partnership: a partnership of

government very much as a public institution, as well as students and their families, as well as the private sector with regard to philanthropy. Private institutions in the United States survive in their operating budgets because of revenues from their endowments. To convert an institution in Canada to be a private institution would take an endowment that would generate, at Queen's, \$262 million a year. That's a huge endowment. It could happen over time, but there's no pure public or private, is what I'm trying to say. It is a partnership of resource. So I think institutions in Canada need to be very aggressive in finding resources in addition to government resources so that institutions will have that margin of excellence for all their students.

The Chair: We'll move to the government.

Mr. John Wilkinson (Perth–Middlesex): It's good to see you again, Dr. Hitchcock. Some of us on this committee are remembering that we went through a process of hearing about the Rae report and the deputations from post-secondary, and to see that starting to be implemented is encouraging for us on this side of the fence.

My first comment would be, thanks so much for hiring our former colleague Sean Conway. We appreciate that.

Ms. Hitchcock: We're delighted to have him with us.

Mr. Wilkinson: He's providing good publicity for Queen's right across this province, and at Queen's Park particularly.

In the bigger picture, as you attempt to recruit, not students but particularly teaching staff—and you were talking about the challenges that you're facing—has the announcement last year given you cause for hope, or do you see benefits now that researchers who are looking at it can go to almost any university in North America, decide that they need to be in Ontario, and Ontario is a place where post-secondary is starting to be celebrated? Are you getting the advantage of that?

Ms. Hitchcock: Very much so. At a time when in many jurisdictions across North America we've been moving through a time of disinvestment, to see a province step up when there are so many competing issues in any jurisdiction for resource and say, "Education matters," has been a very important signal. So we are seeing a responsiveness and an interest that is very gratifying.

Mr. Wilkinson: My second question is, when we were looking at this before, and of course the proper balanced role of private interests and particularly in commercialization of research, universities and many people have thrown up a cautionary flag about that. You were talking, in your previous response to my colleague, about how it really is a partnership, that there is a role. What are the steps that you take at PARTEQ to make sure that your academic independence is maintained, though you are partnering with a lot of commercial interests?

Ms. Hitchcock: It's such an important question. The way one approaches it is to keep our mission in sight and in focus at all times. That's the free dissemination of information, the unfettered dissemination of information.

It's the fact that students and faculty can pursue research in keeping with their curiosity and talents, not an agenda of another agency. So when we write agreements with industry partners or private companies, that is right up front, part of the parameters of the agreement, that indeed publishing will occur; publishing will occur under normal university procedures. Most industries that we partner with understand that. It's an understanding from the beginning. So as long as we keep our eyes on what we're about, those partnerships can flourish.

The Chair: Thank you for your presentation this morning.

Ms. Hitchcock: Thank you very much.

ONTARIO FEDERATION OF ANGLERS AND HUNTERS

The Chair: I call on the Ontario Federation of Anglers and Hunters to please come forward.

Good morning. You have 10 minutes for your presentation. There may be up to 10 minutes of questions following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Greg Farrant: Good morning. Thank you, Mr. Chair and members of the committee. My name is Greg Farrant. I am the manager of government relations and communications for the Ontario Federation of Anglers and Hunters. With me this morning is Andy Houser. Andy is the former director of fish and wildlife for the Ministry of Natural Resources, and now works as an adviser to the federation.

On behalf of our federation, our 81,000 members and 630 member clubs across Ontario and indeed on behalf of the 1.5 million licensed anglers and hunters across Ontario, we appreciate this opportunity to provide you with our views and suggestions for change that will hopefully assist with the government's efforts to strengthen Ontario's economic advantage and improve the health of all Ontarians.

Our comments today, both because of time constraints and our focus as an organization, will pertain strictly to the Ministry of Natural Resources, of which we are the largest stakeholder. We will focus primarily on their fish and wildlife programs. It's not our intention to give you a thorough review of the document that we presented to the deputy minister and minister in December 2005, but we'd be pleased to provide you all with a copy of that document if you wish. Andy will give you a quick review of where MNR funding stands at present, and identify what, in our opinion, is needed to stop the erosion of the ministry's ability to fulfill its mandate. We recognize that every ministry has been subjected to ongoing cutbacks and rationalizations, but in the case of MNR these constraints have resulted in staff no longer being able to do their jobs or, in some cases, even turn the lights on.

We're primarily here to outline our concern over the funding crisis with MNR's fish and wildlife programs, but we also want to bring you some constructive suggestions for change that could result in long-term

sustainable financial solutions and restore the funding base for MNR fish and wildlife programs to acceptable levels, a commitment that was made by the Premier during the last election. It's important to note, in the context of these remarks, that increased funding for fish and wildlife programs cannot come from internal constraints or other MNR programs, but must be addressed through the infusion of new dollars.

Without delay, I'll turn it over to Andy.

1020

Mr. Andy Houser: Good morning. We've conducted an in-depth analysis of the ministry's fish and wildlife program with the assistance of staff. Based on that review, we are convinced that in fact the fish and wildlife program is truly entering a crisis situation. That crisis is not the result of mismanagement; it is not the result of organizational or administrative inefficiencies. Quite the contrary, it is simply the result of inadequate funding for the program.

This is a serious concern. Fish and wildlife are immensely valuable resources. They provide significant economic, social and environmental benefits to the province. By the government's own figures, over six million of Ontario's 12 million residents and over half a million visitors to the province each year actively participate in some form of fish and wildlife-related recreational, tourism or commercial activity. The economic contribution is in excess of \$6 billion a year. The number of jobs supported is over 77,000; in fact, most estimates place it at over 100,000 person-years of employment annually.

Ontario supports the largest freshwater commercial fishery in the world, the largest bait fish industry in Canada, a growing aquaculture industry and the largest fur industry in Canada. Fishing, wildlife viewing and hunting are an integral part of our culture, our heritage and our economy. Of course, fish and wildlife themselves represent a very important part of the natural biodiversity of this province and any efforts to maintain biodiversity and maintain resource sustainability and to protect ecosystem integrity.

To properly manage the province's resources is not an open-ended requirement in terms of dollars. It's estimated that a sound fish and wildlife program which will ensure that biodiversity objectives are met, as well as we continue to see the benefits we have seen in the past, requires about \$120 million annually in 2006 dollars. That's about \$115 million of salary and operations and \$5 million of capital. That's a very conservative and realistic estimate, based on the size of this province. It depends upon maintaining the efficiencies we've seen develop over the last number of years, as well as strengthening of partnerships.

While the need is about \$120 million annually, the base fish and wildlife budget in 2005-06 was about \$73.4 million plus \$4 million capital, so about \$78 million versus the needed \$120 million. This is inadequate to meet the objective of the government to properly manage fish and wildlife resources in the province. In fact, as a

result of the ongoing effects of inflation, spiralling energy costs and salary awards, staff are unable to do the most basic of fish and wildlife management within base budget. They are not doing inventory. They are not doing assessment. They are not doing on-ground management within base budget because the dollars are not there. They've become dependent upon the vagaries of special funding.

In 2005-06, that special funding included \$8.2 million of Canada-Ontario agreement funding—COA—very, very important to the management of the Great Lakes and the meeting of international commitments, but it does little for the off Great Lakes area of the province. There was \$2 million in special funding for raccoon rabies—very important for public health and welfare, but does little for the sound management of wildlife across the province; and \$5 million for the bear wise program, the management of nuisance bears. Effectively, for most of the districts in the province, the only operational funding they had was managing nuisance bears.

As most of you are probably aware, much of the fish and wildlife program is in fact user-pay. Since 1995, there has been a special-purpose account. All revenues, licences, royalties and fines from anglers, hunters and commercial operators have gone into a special-purpose account which largely funds the program. That fund in 2005-06 provided 80% of the base funding for the program—even including special funding, which represented about two thirds of the total funding for the program.

Revenues have increased substantially since 1995, when the special-purpose account was introduced. In fact, it's increased by almost 50%, from around \$40 million annually to about \$60 million annually. That increase has been not reflected in an increase in the size of the program, because at the same time the contribution by the consolidated revenue fund has been decreasing. From 2001 to the present alone, it has decreased by \$8 million, so growth of the program has not been possible. This is disturbing, because in fact the five million Ontario residents who actively enjoy fish and wildlife but aren't necessarily hunting and fishing—their only contribution to the program is through the consolidated revenue fund. Their interest is increasing, their demands for sustainable resource use and their demands for biodiversity maintenance are increasing, but their contribution is decreasing.

As we enter 2006-07, we are truly hitting a crisis situation. The fish and wildlife program budget has been flatlined, we understand. That means they will be trying to deal with substantial salary award increases because of a major award to biologists. It's expected that the salary costs of the fish and wildlife program will increase 5% per year over this next collective agreement. They have high energy costs—those are spiralling, as you're well aware—and inflation increases.

Increased cost within a flatlined budget has the effect of constraint. That constraint cannot effectively be applied against salaries; it has to be applied against the

operating budget. In the case of the average district, the effects of salary awards, increasing energy costs and other costs has the effect—a 5% to 10% increase has the effect of reducing operating budgets by 30% to 60%. In other words, districts that already have staff who can't attend meetings, can't do basic inventory and can't do assessment are going to see their operating budget cut further by 30% to 60% to meet these increasing costs.

In the hatcheries, a 5% to 10% increase in costs within base probably results in a 40% reduction in the number of fish produced. In the case of the Great Lakes, a 5% to 10% increase in costs within base reduces operating by about 25% if we lose COA, as is possible next year, because this is the last year of the COA agreement, and who knows what will happen after that? We could see a 75% to 80% reduction in the operating costs on the Great Lakes. Again, inventory won't be done, assessment won't be done, enforcement won't be done and international commitments won't be met.

The OFAH is very pleased to be working with the ministry trying to find further efficiencies and trying to find further partnerships and build, but tinkering with these kinds of changes is not adequate. There need to be additional dollars brought to the base program and to special projects.

I'll turn it back to you, Greg.

The Chair: You have about a minute left for your presentation.

Mr. Farrant: We'll just leave you, then, with our four recommendations as a final point this morning:

(1) The government should increase program funding by at least \$25 million, consistent with its election commitment to ensure that MNR once again has the resources it needs to “properly manage Ontario's fish and wildlife.”

(2) The government should stabilize the CRF contribution to base program and special funding, which is presently \$35 million, including capital.

The next two recommendations we recently provided to MNR senior staff. If implemented, they would help achieve the funding requests outlined under (1) and (2).

The first is the creation of a biodiversity endowment fund. The province has about 9.7 million registered vehicles and 8.5 million drivers. The province should create a biodiversity endowment fund through the establishment of a \$3 fee blended into the cost of registering a vehicle in Ontario, which would be collected on an annual basis as part of the renewal process. The additional fee should be directed into a biodiversity fund created as part of the special purpose account administered by MNR. The fund would offset the shortfalls within the fish and wildlife program and benefit all residents of Ontario and future generations by the sound management and protection of our natural resources. The fee would represent about a \$30-million annual increase. Trucks and buses could be assessed a higher fee if necessary. The key to the proposal is that the funds must be dedicated specifically to the sustainability of our valuable resources and be controlled by MNR through the SPA and not diverted to consolidated revenue.

The last recommendation relates to the creation of a biodiversity/natural resources lottery. As you all know, lotteries—this one in particular—could be a scratch-and-win type of ticket. Dozens of these exist across the province for a variety of charities and are administered either through the Ontario Lottery and Gaming Corp. or the Trillium Foundation. All conservation organizations, including ourselves, who sit on the biodiversity council, would be supportive of the suggestion for raising funds through these respective organizations. Again, it must be earmarked through the SPA.

We'll continue to look for other opportunities to bring to the province to help offset the loss of revenue due to constraints and assist the government to fulfill the Premier's promise to restore MNR's credibility once again.

In closing, I would remind the members of the committee that despite the fact that anglers and hunters are paying about two thirds of the entire \$95-million annual fish and wildlife program budget, everyone in Ontario benefits from healthy fish and wildlife populations. After all, a healthy environment equals healthy people and a healthy economy.

Thank you, Mr. Chair and members, for allowing us to appear before you. We'd be pleased to answer any questions you might have.

1030

The Chair: Thank you. We'll begin this round with Mr. Prue of the NDP.

Mr. Prue: Thank you for your presentation, and particularly for coming up with a couple of ways of finding additional funds. I have to ask you about those additional funds. Do you think they would be well received? As politicians, when you say, "Your licence on your car is going up by another three bucks," we run into a stone wall on occasion, especially with people who don't think that the \$3 for wildlife management is a good thing.

Mr. Farrant: I'll try to answer that. Maybe Andy has a different take on it than I do. If it's to go directly to natural resources—and we're not just talking about natural resources that benefit anglers and hunters; we're talking about parks, ecosystems, rehabilitation programs, stream rehabilitation, fisheries habitat, fisheries stocking programs, all sorts of programs. There are certain wildlife stocking programs in this province where there is no hunting, elk being a good example. It's illegal to hunt elk in Ontario, but we participate in the elk regeneration project. These five million people Andy spoke about who canoe, hike, bird-watch, camp and whatnot generally do not put a lot into the natural resources of this province but they enjoy the benefits.

With the creation of a new ministry under this current government for health promotion, it seems that people in Ontario recognize the benefits that we achieve and accrue from our natural resources. I certainly think that our members on the biodiversity council, who represent a broad range of organizations across the province interested in the conservation of natural resources, would be

supportive of this. I recognize, sure, that any time you increase a fee there is some backlash against it, but this is a fee that would be applied equally to all residents across the province who drive or own a vehicle. So it's not exclusive to one particular group. You're not targeting one specific group that is going to be disadvantaged over another. So we felt that this had some credibility, and MNR senior staff certainly were keen on the idea.

Mr. Prue: I've only got a little bit of time left, so I just want to get into the hatcheries, because I've been very disappointed with fish-stocking over the last number of years. I read in the paper—I don't know whether it's true—that Ontario may not be stocking salmon in Lake Ontario next year. I can tell you, with the degradation of the fish stocks in southern Ontario—in the Kawarthas, in popular places where I like to go fishing—it's pretty hard these days to catch any decent fish, because they're gone. I don't understand why this cannot be done. Every year I look to see hatcheries increasing. We could be the envy of the world again in terms of our fish, but every year they seem to be going down and down.

Mr. Farrant: You're quite correct. I'll let Andy speak to that in a second. The one point I want to make, just to let you know, is that the Ontario Federation of Anglers and Hunters has not rolled this program out, but in this calendar year we'll be instituting, in co-operation with a major winery in this province, the LCBO and MNR, a major Atlantic salmon restocking program for the Great Lakes.

Andy, you may want to speak to the specifics of the hatchery decrease.

Mr. Houser: I think the key is that the hatchery program, like the rest of the fish and wildlife program, has been trying to cope with the inadequate funding, a total of about \$78 million base with some specials, versus the need of \$120 million. Within that, they have had to cut back in every area. Hatcheries are definitely being cut back. As we look to the coming year, unless there are more dollars made available, there will be further cut-backs in the hatchery program, and even with those fish that are produced, the districts and Great Lakes are going to be very hard pressed to plant them, because the money is not there.

Mr. Farrant: I think 40% is the reduction in the capacity of the hatcheries because of constraints.

The Chair: We'll move to the government and Mr. Wilkinson.

Mr. Wilkinson: Mr. Chairman, I'll share my question with my colleague, my neighbouring member.

First of all, it's good to see you again, Greg and Andy. Thanks so much for coming. The OFAH is a valuable resource for me as an MPP, and particularly those of us from rural ridings as we grapple with these issues.

There are two things that I wanted to bring up briefly. I think it is very important that you get in front of this committee to talk about this issue. I know Minister Ramsay is a great minister in this regard about promoting this. We always have budgetary constraints, but I think it's important to get this message out to our colleagues.

Can you just briefly talk about the increasing role now of the federal government, the DFO? There's overlapping jurisdiction, I think, as they come more to the fore. Is there some way that we can coordinate better? Because it seems to be an increasing frustration. I know in rural Ontario we seem to have two levels of government, staff who are going between the two levels of government trying to do the same thing, and it seems to be following the resources. Of course, they're the guys with the surplus.

Mr. Farrant: In the case of DFO in Ontario, DFO has actually abdicated much of its responsibilities for natural resources in Ontario. They do have the jurisdictional responsibility for waterways, but through an agreement with MNR they cede that responsibility. In fact, in the last year DFO nationally has indicated that all of its enforcement officers in Ontario will be cut—all of them. They're going to leave five to cover the entire province, to deal with the DFO issues. It's more an oversight thing, as opposed to an enforcement thing. We have pressured the federal government very hard on this, because the impact that this could have in Ontario is quite severe.

Mr. Wilkinson: So they walk away, but there's no money to replace that.

Mr. Farrant: That's correct.

Mr. Wilkinson: But they have their responsibility.

Mr. Farrant: That's correct.

Mr. Wilkinson: Thank you.

The Chair: You have to be very, very brief.

Mrs. Carol Mitchell (Huron-Bruce): I'm just looking for a clarification on the total ask. I'm sure you've done some projections on number 3 and number 4. What I'm trying to get to is the number that you feel it will take in order to meet the needs in all of our communities to make sure that the MNR stays strong—not only our fish stock but our wildlife, our ecosystems. I see projections, but what I'm looking for is the total number that you feel is needed, be it through a \$3 fee, be it through a lottery ticket.

Mr. Farrant: A hundred and twenty million.

The Chair: Thank you for your answer. We'll move now to the official opposition. Mr. Hudak.

Mr. Hudak: Greg, Andy, thank you very much for the presentation. I appreciate your making the drive here to Cornwall as well.

We obviously feel that if the government makes a commitment, they should live up to it. You highlight a Liberal campaign promise to the effect that they would fund MNR to allow it to—I forget what the exact quote is; I should have circled it—live up to its expectations. Was there a number that was attached to that?

Mr. Farrant: No, the Premier did not give a number. He just made it clear that he recognized especially that the Auditor General had been extremely critical in 1998, 2000 and in subsequent years of the cutbacks in MNR and its ability to continue to manage fish and wildlife in this province. He made a commitment during the election campaign to us that the government would work towards bringing MNR back to where it used to be. In fact, if you

want to look at the model that was ideal for MNR in terms of funding, where it was and its ability to manage the resources—and this is not a political comment, because we're non-partisan, so please don't take it as that—during the Peterson years is when the ministry was at its ideal funding level, back in the late 1980s. A return to that is what we're looking for.

Mr. Hudak: So have they lived up to Dalton McGuinty's campaign commitment?

Mr. Farrant: The Minister of Natural Resources, as Mr. Wilkinson has indicated, has worked very diligently to try to restore the integrity of the ministry, and full kudos to Mr. Ramsay. The federation works very closely with the minister, and we've been very pleased with the support that he has given us to date. But the minister, of course, is subject, as are all ministries across the board, to an overall budget and an overall budget package. Thus far, the infusion of dollars into MNR has not materialized; it's going the opposite way.

Mr. Hudak: I think Andy was the one who talked a bit about the bear wise program. He had some concerns about the effectiveness of bear wise. Any further comments on that?

Mr. Houser: Right at the present moment, the bear wise program of \$5 million in many districts is about the only operational funding they have. They have their base program, but it's only enough to keep the lights on, so the only operational funding they have is bear wise. I don't think anyone believes that bear wise is the most effective use of all of their time and energy. They need to have the money to do resource inventory and resource assessment, and to do other on-ground management.

1040

Mr. Hudak: Is there a better way to spend that \$5 million?

Mr. Houser: I believe so.

Mr. Farrant: For instance, enforcement: In many districts across the province now, the conservation officers—not only are their ranks probably lower than the number that's ideal, but that's not something that has happened within the last couple of years. This is something that has been a long-term trend. In many respects now, because of the lack of operating dollars, conservation officers are no longer able to go on routine patrols and carry out routine assessments; they are to respond only on complaint. So quite often you'll find them sitting in the office instead of being in their vehicles. This is because of fuel costs, constraints at local levels and the inability of local district offices to even send people into the field unless it's in response to a specific incident.

Mr. Houser: So the money would be better spent in those areas. The fact is that in the past there were greater revenues both in licensing and otherwise coming in from the bear hunt. The total amount of money that was being spent on bear management was probably in the order of \$400,000 annually. Now those revenues are not coming in. We're spending in the order of \$5 million.

Bears have been, in many cases, reduced to vermin. We need to be looking at better management of black

bear, and we need to be making better use of those dollars.

The Chair: Thank you for your presentation this morning.

Mr. Farrant: Thank you, Mr. Chair and members. We appreciate your time.

STORMONT, DUNDAS AND GLENGARRY LEGAL CLINIC

The Chair: I'll call on the Stormont, Dundas and Glengarry Legal Clinic to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Etienne Saint-Aubin: My name is Etienne Saint-Aubin. I'm the director of the Stormont, Dundas and Glengarry Legal Clinic, clinique juridique.

Ms. Bernadette Clement: My name is Bernadette Clement, also a lawyer with the Stormont, Dundas and Glengarry Legal Clinic.

Mr. Saint-Aubin: We appreciate this opportunity to meet with you, and we welcome you to our home. Ça nous fait du bien de vous accueillir ici. Votre présence nous encourage.

We are both lawyers with the legal clinic. Our hope today is to bring to you a perspective which may not always be made fully available to you. We respect that all of you care deeply about this province and your fellow Ontarians. No one political party has a monopoly on that. But perhaps what may be missing is that the message you're getting is not the full and accurate picture. That's the only thing that we can think of when we see, day in and day out, what we see. We figure, maybe in an innocent way, that if people knew what was going on, they would fix it and put it right, but that has not been happening.

Our legal clinic is part of a province-wide network which was established under the then Attorney General R. Roy McMurtry, who led the establishment of services which deal primarily with the most vulnerable in our communities. These areas of assistance include housing, social and disability assistance, workers' compensation, employment standards and help to victims of crime.

Every day, the clinic meets with, listens to and helps the poorest from among the people of Ontario. I must report to you that these poorest among your fellow Ontarians ask, "Why have you forsaken me?"

The current levels of social assistance and ODSP benefits are bitterly inadequate. They were inadequate when they were severely reduced in 1995 to below the then real cost of essentials; namely, food, shelter and minimal clothing. Since then, inflation has increased by 22.6%, but rates have been brought up by only 3%. So not only are the rates below the poverty level; they're deep down underground of the poverty level.

What has this meant? For example, I refer to the Peterborough health unit, which, with a great deal of

assessment and thought, came up with the assessment that families on welfare do not have enough money to eat and certainly not enough to purchase food which is nutritious. I guess the question that we ask is, who do people think are on welfare? Are they just those who don't want to work?

We're old enough to know that perhaps our idealism has sometimes had to take a few knocks. I come before you not to say that each recipient of assistance has some sort of halo. There may very well be people who live up to that prejudice, but the vast majority of people on social assistance are persons with intellectual disabilities not properly recognized, people struggling with mental illnesses, older workers like those here in Cornwall who have lost their jobs and have very little likelihood of getting real employment any time soon, women in situations of family breakup and persons over 60 whose golden years are not that golden. They're not old enough to receive seniors' benefits but are expected by Ontario Works to find work in an economy which doesn't look kindly upon older workers. So in reality, what is intended to be emergency assistance has become the source, the only source, for living.

There is another issue that is even worsening this among families in Ontario, and my colleague will speak of that.

Ms. Clement: I appreciate the opportunity to speak to the standing committee on finance and economic affairs. I want to touch specifically on the issue of the national child benefit supplement, the NCBS. In doing so, I want to add our legal clinic's voice to the voice of other clinics in this province, and in particular to the Income Security Advocacy Centre.

As you probably already know, the national child benefit supplement, or NCBS, is part of the Canada child tax benefit or what used to be called the baby bonus, and is still called the baby bonus. The national child benefit supplement is money from the federal government. A full supplement is paid out to families with children under the age of 18 to families who have an annual income of less than \$21,000 or so. This means that families who are on social assistance, or welfare or Ontario disability benefits or Ontario Works—there's all sorts of different terminology around that—receive the full supplement because they have less than \$21,000 annually. That supplement is then clawed back, taken off, close to dollar for dollar, their social assistance cheque.

These clawed back monies are, as we know, re-invested by the provincial government and the municipalities into various programs. One such program is the Ontario child care supplement for working families. I'm not here to say that those programs are not useful or beneficial; not at all. But what I am here to say is that we shouldn't fund those programs by taking money away from the poorest families in our communities.

When I was thinking about this presentation today, I thought about when the NCBS program first began in 1997. I thought of one woman in particular, a client who came in to see me for a disability-related matter. She

brought in her social assistance cheque. She had received the NCBS from the federal government, and there was a corresponding deduction on her cheque stub with the initials NCBS in capital letters. She handed this to me and said, "What's going on? What is this about?" So I explained to her, much as I've done today, what this agreement is, how it's clawed back and how the funds are reinvested into programs. As I saw her reaction to this, I felt that my words rang rather hollow because she responded by saying that she was disappointed and that she could really have used those funds to pay for rent and groceries. I have to admit that I didn't have any useful response for her at that time, but I'm trying today to be useful and relate her words back to this committee.

The clawback, for the most part, is still a fact of life for social assistance recipients. As you have already heard, the rates have increased only marginally over a long period of time. We feel it's time to deal with this issue.

On a more local level, we have been getting together with other social agencies to look at poverty and how it affects this community in particular, these counties in particular, which are always hard hit. Morale is quite low around here right now. The local children's aid society took the initiative last year to bring in a statistician to look at the numbers locally.

I'd like to turn it back to Mr. Saint-Aubin to specifically talk about what's going on in Cornwall and area.

1050

Mr. Saint-Aubin: The community has come together to try to deal with things that are within our control, living up to the old adage, hopefully, that heaven helps those who help themselves.

You well know that issues of poverty are of pressing relevance to communities such as Cornwall and, as has been probably pointed out by our mayor, we've been hit hard by the winds of economic change. This city holds the dubious distinction of having the highest concentration of poverty in eastern Ontario, and punitive levels of social assistance are very relevant to us, as they contribute to a sense of despair and low self-esteem which shackle us to a downward spiral.

The area is ranked seventh out of 49 in Ontario in youth suicide rates and experiencing a high rate of crime, ranking 14th in general crime and 12th in violent crime—rates 50% higher than the provincial average. This may reflect the fact that within Ontario, smaller communities such as ours are experiencing a significant decline in their social institutions.

One of the recommendations we have for you at this time when everyone in the Ontario family is tugging at you in terms of increased resources is that levels of Ontario Works and ODSP assistance should be raised to a level that really correlates in a humane way to the true cost of the necessities of life in Ontario. Proclaim it, if you will, as part of a comprehensive strategy to control spiralling health costs. Either the Peterborough health unit is right or they're wrong. If they're wrong, tell them so and tell them why they're wrong. But if they're right,

then what we're doing is manufacturing a greater burden upon the Ontario health system by bringing forward families that are unhealthy.

In terms of crime, we always respond to awful incidents, but day in and day out—I'm speaking here as a former assistant crown attorney, and I know what I speak of. If you do nothing to attack what's creating or feeding this thing, then just dealing with the top response to crime is not going to make a dent.

The other recommendation we have is that this taking away of the supplement that was intended to keep children out of poverty cease.

I cannot fail to ask, when the opportunity arises, that legal clinics and legal aid receive the proper level of funding that will allow them to continue to provide an effective voice for vulnerable residents of Ontario who cannot speak for themselves. Thank you.

The Vice-Chair (Mr. Phil McNeely): You've used your 10 minutes. If you could end there, we'll go to the government for questions. Mr. Arthurs.

Mr. Arthurs: Thank you both for your presentation this morning. It's certainly not the first time that we've heard these concerns expressed. I said earlier that I hope we have the opportunity to hear them during our tour throughout the portions of Ontario we're going to get to, whether it be northern and eastern Ontario or southern and western Ontario. These are important matters.

What levels of increase would you suggest need to be implemented for those on social assistance of a variety of sorts, recognizing the reductions that were made some seven, eight, nine years ago to the tune of 22%, 24%, 25%, and with inflation built in during that period of time? Any specific recommendations on what level of increase we would have to put in place, and over what period of time, recognizing, as you've said, that all the families of Ontario, in one fashion or another, are looking to government to support various initiatives?

Mr. Saint-Aubin: We have not come forward with a specific recommendation, and we're very much aware of the dilemma. I know and understand the call that if you make social assistance rates too comfortable, it may be a disincentive for some. I understand that thinking. I don't think it's true, but I understand that that's part of the equation. But you can come an awful long way before you're even close to having to worry about that.

Right now the level of assistance is more a token one. For example, there was a formula that was established in 1995 that was supposed to compare this province to a certain percentage higher than the rest of Canada. That has not even been lived up to. If there had been no change at all in the 1995 approach, it still would be way off. So we've really got to look at the basket of what it takes to live in 2006. I'm sorry I can't be more specific or more helpful, but that's where we stand.

The Vice-Chair: We'll go to the official opposition. Mr. Hudak.

Mr. Hudak: Thank you both very much for your presentation. One of the facts of the matter is that revenue is up substantially in the province due to

increased taxes. In fact, we have more revenue coming in to the treasury now than at any time in Ontario's history. So it is somewhat surprising that the government has not responded to your call, which was a campaign promise, I believe, at least with respect to the clawback, if not on welfare rates as a whole.

I think one of the main goals that all of us will share is moving people from social assistance to work. In your experience, what are the best programs or approaches to help bridge that gap and get people into the workforce on a permanent basis?

Ms. Clement: There are various programs that do help, but really, what we're recommending at this point is not necessarily another program. We're recommending a straightforward increase to the rates. We can't be more specific than Mr. Saint-Aubin has explained: just ending the clawback. At this point people are not even really surviving appropriately on what they're getting. So to think about programs and to explain to people, "Well, you can access this program or this program," when they can't pay the rent, when they can't feed themselves properly—as I said earlier, the words are sort of hollow.

Mr. Saint-Aubin: We've been dealing with this now for many, many years. Previously, perhaps, there was inadequate follow-up of recipients of social assistance. Now there is a fairly extensive apparatus which is intended to spur people on, except that the spurring makes little sense when you've got the level so low. Anybody in his right mind wouldn't want to live at that level. So your spurring room is significantly diminished when you have that level of assistance.

The Vice-Chair: Now the NDP. Mr. Prue.

Mr. Prue: A couple of questions, but also a statement first. I have to tell you that I found the last budget to be the most brutal budget possible and imaginable, from a government that said it was committed to poverty issues. With the 3% increase over two years, people are actually worse off today than they were under the Harris government. I've said that before, and I'll continue to say it.

Other provinces have been able to end the clawback. Two have-not provinces that come immediately to mind are New Brunswick and Manitoba. They were able to find the necessary funds to do the programs. Any idea why you think Ontario has not been able to, with record revenues flowing in? I am perplexed.

Mr. Saint-Aubin: I too am perplexed. I think it goes back to what I said at the very outset. I think you and the people of Ontario are decent people. I just think that it's very easy for us not to properly pay attention to poverty.

When I first started in this job, I visited someone in their home and I have to tell you that I had a sense of panic in my stomach because I said to myself, "Only my paycheque and my brains, as they function, allow me to avoid being here. I don't want to be poor." It's easy to want to put that aside; you don't want to go there. I don't think that whoever has the authority to decide these things really understands what's happening, because it's easier to dwell on headlines than reality.

1100

Mr. Prue: The average welfare recipient in Ontario has, after rent and other expenses, \$2.14 a day for food. That's well publicized; everybody knows it. When welfare recipients applied for the food supplement, the minister was absolutely brutal in coming out and saying that this was an abuse of the system, and cut them off. Any explanation as to why—you see, I am perplexed. I ask questions in the House and I get no answer. I'm trying to get an explanation, and I'm hoping that somebody, somewhere, can tell me.

Mr. Saint-Aubin: I appreciate very much your question, but our presence here is in no way to try to be critical of any one political party or government. But I think there is something which is clearly wrong, and it must be attended to. As Ontarians, in the past we have had the ability to roll up our sleeves and get things put right. This is a time for that to take place, regardless of political spectrum. Under any analysis, things make no sense in this area, and we are not living up to the tradition of Ontario either in years past or the hope of the future with this. We're locking ourselves into a perpetual low-health, high-crime future if we leave things as they are, and I hope you'll see that.

The Vice-Chair: Thank you very much. That's the end of the time. Merci beaucoup pour votre présentation, Monsieur Saint-Aubin et Madame Clement.

ARDEN SCHNECKENBURGER

The Vice-Chair: The next presenter is the Ontario soybean growers, Arden Schneckenburg, if you'd please come up.

Good morning, Arden. Thank you very much for being here. You have 10 minutes to make your presentation. Please state your name for the purposes of recording Hansard.

Mr. Arden Schneckenburg: My name is Arden Schneckenburg. I am a farmer from Dundas county. I'd like to thank the standing committee for letting me do this presentation. I'm filling in for another farmer, who, like many farmers, has an off-farm job and was unable to attend today.

Ontario agriculture is at an unprecedented time of low prices and marketing uncertainty in many agricultural sectors. The grain and oilseed sector of this, which is corn, wheat and soybean farmers, is arguably the hardest-hit sector at this time. Through factors beyond our control and as a result of Canadian farm programs that do not work for grain and oilseed farmers, we are in a farm income crisis.

The US farm bill's impact over the last 20 years is quite dramatic. The programs in the US subsidize farmers based on historical yields and present prices, thus driving production up and world prices down. The US government does not take demand into their equation at all. High carry-outs of corn and soybeans, on the other hand, ensure cheap raw-material supplies for US ethanol, starch, sugar, biodiesel, feedlot, pork, poultry and other

value-added ventures. With an open border through NAFTA and WTO, Canadian farmers receive world prices despite economic drivers. As an example of one of those drivers, we have high demand for corn coming along in Ontario with ethanol plants coming on stream, yet our prices will not increase because they can import cheaper US corn.

In Canada, the joint agriculture policies of both the federal and provincial governments have resulted in poorly planned national programs that do not work for Ontario's diversified agricultural sector. CAIS, which is the Canadian agricultural income stabilization program, is whole-farm based, while the US program is commodity-specific and triggered by price. Quebec's ASRA program is commodity-specific and triggered by price. Ontario's old market revenue program was commodity-specific and triggered by price. In Ontario presently we have CAIS, which doesn't work in an environment of artificially low prices caused by the US farm bill.

Some quick facts:

(1) US farmers in the last three years had their best three years of all time, while Canadian farmers had our worst three years in Canadian farm income history.

(2) From 1993 to 2003, farm debt doubled to \$47.7 billion and real net income has been dropping every year.

(3) US farmers' net income in 2004 was approximately \$43,000; Canadian farmers', \$24,000.

(4) US farm debt per farm is approximately \$113,000; ours is \$200,000. So the argument that farmers capitalize our farm payments isn't true. You can see that by the facts.

Canadian farmers survived and stayed in business by borrowing money or using equity while waiting for our governments to rectify this problem through the WTO and world prices. In the long run, that's the way to go, but enough is enough. We cannot continue like this. We need help. The Canadian Corn Producers association have taken the last resort of putting a trade action against US imports of corn so they can put some money into farmers' hands. Driving up corn prices is only a short-term solution, for that destabilizes our ethanol, value-added and livestock sectors in the long run. We need a program that's here and now.

The farmers of Ontario have a solution for a more level playing field with Quebec and the US. As you know, Canadian agriculture is jointly funded, 40% provincially and 60% federally, and some provinces put in more than their 40%, like Quebec and Alberta.

We as farmers have come up with a risk-management program which was designed by farmers and adopted by our associations and will help make CAIS work for us. Many of you here have been lobbied this past summer by the farmers on our new risk-management program, so most of you know the program and what it means to us. The result of a properly funded program would give Ontario farmers a program that would put us on a level playing field with the US and Quebec. The big thing is that we need a program that's bankable and long-term, so

that we can work with our bankers and we can put a crop in the ground now and in the future and not do these ad hoc programs that we always do.

The other benefit of having a properly funded risk-management program is that perhaps the trade action that the corn associations have started could be stopped so we don't hurt our announced ethanol initiatives and livestock sectors in the province, as well as keeping us competitive.

The Ontario government has an opportunity to show leadership and to depoliticize the agriculture file as they work with farmers in Ontario and the federal government to resolve this income crisis.

The whole farm/rural economy is important to our rural areas. If you drive around, it shouldn't be of note to most people around here that we don't have a giant building boom or anything in the rural areas. Farmers are hurting, as well as our industry-based background, in most rural areas. We need assistance to help attract industry, jobs and people to the area so we can help stabilize the whole rural economy for farmers. As well, properly funded farmers will help this whole problem. We have to have schools and recreation things, the same as they have in urban areas.

Many of you have seen our Farmers Feed Cities campaign, which we initiated over the summer while lobbying you. That's the unified voice of all farmers, who are trying to get more money back into the OMAF budget, up to 1.4% from its current 0.7%, so we can properly do programs and help the rural parts of the area.

Thank you.

The Chair: Thank you. The rotation will begin with the official opposition. Mr. Barrett.

Mr. Barrett: Thank you, Arden, for coming forward. We had a presentation from the Ontario Federation of Agriculture at yesterday's meeting, the Cochrane and Timiskaming people, up that way, and had a good discussion on beef and BSE and abattoir problems.

Both my colleague MPP Tim Hudak and I have been very concerned about the dilemma we're in with cash crop. I derive some of my income from cash crop, and I fully support what you're talking about.

Our concern—and we've raised this a number of times with the Ontario minister of agriculture. Both Mr. Hudak and I have raised questions around the indication from the Canadian International Trade Tribunal with respect to the subsidization and dumping of US corn and the injury that it has caused to our domestic industry. Our question a number of times now to the minister is about what action steps she is taking on this. I know Mr. Hudak has asked in the Legislature, a concern about the impact it has on users of cash crops, not only those feeding animals but companies like Casco, of course, down this way. We think of Seaway; we think of the ethanol industry.

What we need from this government is a plan, an indication of support for our growers and, in addition, our support for companies like Casco. Do you have any indication down this way if anything is happening as far as government assisting with what's a bit of a dilemma?

1110

Mr. Schneckenburger: We as farm organizations are working with all parties—and we're trying to stay politically neutral—trying to express our concerns. Like I said, it's unsustainable, long-term, to have a countervail on for companies like Casco, beef farmers, etc.—I also run a feedlot. So for us, the best solution to this problem would be a risk-management program developed by the farmers. That's what we're hoping we can bring forward and that it will be supported by all parties.

Mr. Barrett: Exactly. It's an indication of how tough things are.

Mr. Schneckenburger: We've been working as farm organizations since last March on this issue, with the protests we had in Toronto etc. This isn't new, but it's getting to the point that farmers have to get their crops in the ground this spring, so we're hoping now, after the federal election. The problem with agriculture in Ontario is that it's a federally and provincially funded area. We have to work together now to get this forward.

The Chair: Thank you. Now we'll move to Mr. Prue of the NDP.

Mr. Prue: Thank you very much. As I often tell farmers, I'm a city boy. I've spent my whole life in the city. The one thing I do know, though, is I'm thankful every day that you're there so that I can eat. You're right with your program Farmers Feed Cities.

Last year was an eye-opener to many people in the city when farmers descended upon Queen's Park in huge numbers, and with legitimate grievances. I'm not sure a great deal changed, though. I'm not sure that the government came across or made any huge changes. Can you tell me, though, did they? Were there any changes? Did you think anything happened as a result?

Mr. Schneckenburger: We're still working with the government. The government is listening. The minister is speaking to us. But as of right now, there is no joint program federally and provincially funded. All we have are CAIS and crop insurance, which are fine. CAIS is a disaster-type program; crop insurance does weather-related disasters. But we need that other link that we used to have—the price component—which both Quebec and the US have. That would finish the package up again, and that's what we're still working on.

Mr. Prue: It's not just Quebec and the US. In almost every single country in Europe, or if you look at Japan, the farmers are subsidized because the governments understand the necessity of maintaining the national food supply or the local food supply and not having to relying on imports and things that can happen. Would you like to see us doing something similar? Because I think Ontarians or Canadians want to eat local produce.

Mr. Schneckenburger: Our risk-management program is basically putting us on a level playing field with our competitors. Coming up with a program that, unfortunately, with an open border between Canada and the United States, is radically different from what they're doing is not sustainable. Like I said, right now we're building ethanol plants. Some will be coming on-line, so

supply and demand would indicate the price of corn should go up. It will not, because they can bring in cheap US corn.

Mr. Prue: Absolutely.

Mr. Schneckenburger: So doing what you propose is good long-term planning, but short-term it's not going to help us.

The Chair: Thank you. We'll move to the government and Mrs. Mitchell.

Mrs. Mitchell: Thank you very much for coming out today and making a presentation. Just so that you know, I'm the member from Huron-Bruce. So when we talk about agriculture, it certainly is number one from the riding that I represent.

I'd just like to clarify a few points here. The honourable member made mention of what has happened to date. Just so that we're clear, there was an additional \$79 million to grain and oilseeds from last year's budget.

As a point of clarification as well, what we have on the table today is a three-year program for extension of the MRI program as it was in the past. What we are waiting for is the federal government to come to the table to recognize and pass the disbursements of the apportionment of the dollars. That is what we have on the table, so we have clearly heard that what you need is a longer term commitment.

One other thing I would like to say is that yesterday a member was taken to task for making political hay, I'm going to call it, on the backs of an industry that is hurting. That, specifically, was the lumber industry. Today, I would like to say that BSE was dealt with in a different manner; it was depoliticized, as should be the grain and oilseeds. I would like to remind the honourable members that in fact our farmers are in a crisis in grain and oilseeds, and that too needs to be depoliticized.

So I say to you, sir, could you just add to what you would support—

Interjection.

The Chair: Order.

Mrs. Mitchell: —in what we have on the table with regard to the MRI?

Mr. Schneckenburger: We understand what you have proposed. We understand that has been on the table. But it's coming now to the point that the farmers have to put a crop in the ground this spring and it may be time for leadership by the government. Maybe you have to put your money up before the feds put theirs up, because they may not even be sitting by the time we need the money. That's why we're asking to depoliticize it. All parties have to work together provincially and federally to get the money in the farmers' hands, because the problem is, it's already the end of January and farmers have to start planning. The ad hoc programs that we have presently are not bankable. We cannot go to banks and borrow money on a wish. We need something actually on the table. We're at a real hurdle right now.

The Chair: Thank you for your presentation.

I remind members that all comments should be made through the Chair.

CHRIS SAVARD

The Chair: I call on Chris Savard to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I'd ask you to identify yourself for the purposes of our recording Hansard.

Mr. Chris Savard: Sure. My name is Chris Savard. Good morning and thank you, Mr. Chair.

I am pleased to have this opportunity to address the committee this morning and provide some input as you begin this important task of hearing from taxpayers all across this great province. As I've said, my name is Chris Savard, and I am a lifelong resident of the city of Cornwall and have long been very active in our community. In addition to being the general manager of the area's largest shopping centre, Cornwall Square, I am also very privileged to be able to serve my community as a member of Cornwall city council. In addition, I am a past treasurer of the Cornwall and Area Chamber of Commerce and currently am pleased to serve on a number of community committees such as our urban core revitalization project called Heart of the City and to chair our community's largest festival, Kinsmen Cornwall Lift-Off. Lastly, my wife and I are small business entrepreneurs.

My submission to the committee today will touch upon a number of municipal and community concerns that have been previously raised by Cornwall mayor Phil Poirier, senior city staff and our CAO to various provincial ministers as well as the leader of the official opposition. I want to make it very clear that I am speaking to you today as a concerned citizen and not as a member of Cornwall city council.

In his December 2005 submission to the committee, Minister of Finance Dwight Duncan highlighted five questions that have framed the government's pre-budget consultations. The first question was, "What else can the Ontario government do to create a new generation of economic growth?" My presentation today will answer this question and address some of the series of actions which, if the provincial government were able to undertake these, would add greatly to the economic growth of the city of Cornwall.

As the committee is most likely aware, our region has faced a number of unfortunate job losses with the closing of major employers such as Domtar and Pioneer Chemicals. In addition, a number of other companies have announced staff reductions and the downsizing of their workforce. The economy of the city of Cornwall relies heavily upon strong provincial and national economies. Issues such as the Canadian dollar, trade disputes, border security, energy costs and globalization play a significant role in our local economy.

The city of Cornwall has proven in the past that it is a resilient community, and I am confident that we will rebound once again. Clearly, our local economy is one that is in transition, and now, more than ever, the assistance of the provincial government is necessary to ensure

that Cornwall remains the strong and vibrant community it has grown to become.

Let me highlight for the committee a number of specific issues that, if addressed properly, would create economic growth for our region.

Currently, the city of Cornwall makes annual payments in the amount of \$210,000 towards the repayment of a downtown revitalization loan from the late 1970s. This loan is now over 25 years old, and it is my understanding that the government is no longer receiving payments in most other communities that were initially involved in this program, as a result of changes in the economic realities of those particular projects. The Heart of the City project that I spoke about earlier is a very positive one that is funded in part by the Ontario government. This project has seen a number of community stakeholders working tirelessly to develop solutions toward the revitalization of our urban core. A community improvement plan has recently been submitted and approved by Cornwall city council and is currently awaiting provincial ministry approval.

1120

The city of Cornwall has requested that the debt be completely forgiven, as in other communities, with the understanding that the city would commit to reinvesting the remaining loan balance to fund improvement applications as outlined in this community improvement plan. This initiative would encourage significant private sector investment and result in substantial improvements made in our urban core.

Another issue for us is the power dam. Currently, the city of Cornwall receives an annual grant in lieu for the R.H. Saunders Ontario power generation station of about \$229,000 a year. This facility is assessed at \$96 million on the assessment rolls. If that particular utility were to pay taxes on the actual assessment like all other commercial-industrial properties do, the city would benefit in an amount of close to \$8 million annually on an industrial taxation approach. While this amount may seem large when looked at on a per kilowatt basis, it is actually very small when spread over all consumers.

Appropriate revenue must be generated from the OPG property in Cornwall. This increase in revenue would assist the city in the completion of various capital projects and provide some much-needed relief in tax rates.

Speaking of tax rates, the city of Cornwall has analyzed the education tax rate applied for the education purpose here in the city of Cornwall and finds that the education tax rate is one of the highest in the province of Ontario. When prospective investors review these tax rates, it results in a definite disadvantage in trying to attract industrial and commercial development to the city.

The city of Cornwall has requested that the education tax rate applied to properties in the city be set at the same rate as the average of all communities in the province in order to allow the city to compete on a level playing field for new investment and subsequent tax growth. It is interesting to note that this initiative alone would reduce the tax burden on existing commercial properties by 20%.

A number of years ago, many provincial services were downloaded to municipalities under the notion that these services would be revenue-neutral and subsequently provide no additional municipal tax burden. Clearly, that has simply not been the case. While I strongly believe that these services are best delivered by the municipal government, it is incumbent upon the provincial government to ensure that the city receive the necessary funding to address the expenses associated with the delivery of these services.

There has been much talk about the job losses in Cornwall and SD&G during the past year, and I really believe the province should give serious consideration to assisting our region.

Firstly, I'd like to thank the provincial government for the financial commitment toward a regional economic development strategy. Going forward, I would respectfully request that consideration be given to the city with some special one-time funding to assist in greater marketing initiatives, as well as assist in the implementation of this economic plan. This plan will only be beneficial if it's able to be implemented.

Secondly, consideration should be given to establishing an eastern Ontario economic development fund similar to the funding assistance provided to northern Ontario. Further, Cornwall should be considered as a potential location in any decentralization and/or relocation of provincial offices outside of the GTA.

Lastly, I have read with interest about the greater Golden Horseshoe growth plan as outlined on the Ministry of Public Infrastructure Renewal website. While I think we all recognize that there must be a detailed plan to deal with the sustained growth in that particular area, it has long been felt that eastern Ontario is the forgotten part of the province by the government.

In his news release dated November 24, 2005, Minister of Public Infrastructure Renewal David Caplan was quoted as saying, "Growth is important to Ontario's economy, but we need to be strategic about it. That's what the proposed growth plan is all about: ensuring we have places to grow business; places to grow food; places to grow trees; places to grow families. It's about informed, strategic decision-making." Please let me respectfully suggest to the minister and submit to the committee that eastern Ontario—and our region in particular—is also a great place to grow business, food, trees and families. Our area has been hard hit by changes to the global economy, and it is incumbent upon the provincial government to be equitable when it establishes these regional growth strategies.

With respect to hospital restructuring, on December 21, the Minister of Health and Long-Term Care, George Smitherman, announced the approval of the expansion and redevelopment of the Winchester District Memorial Hospital and the Cornwall Community Hospital. The media announcement outlined several major projects that will take place at both hospitals, with construction scheduled to begin between 2007 and 2009. The construction of our new community hospital represents a

much-needed and anticipated expansion to our single most important piece of community infrastructure, our hospital. Unfortunately, this announcement from the province represents approximately a two-year delay from the original timeline. Over and above the medical advantages this new facility will offer our residents, the consolidation of hospital services to one site will also create significant operational efficiencies for the hospital administration. Regrettably, this funding delay will postpone those financial benefits for our hospital.

In addition, we also know that inflationary factors affecting construction costs can range from 6% to 9% per year. This could quite possibly equate to an almost 18% increase on the total cost of this \$59-million project. As of yesterday, I'm very proud to report, our community had raised \$8.9 million of the \$10-million target in just over one year. The inflationary increases to the project caused by the delay in the provincial approval could result in a cost overrun of almost \$10 million. It is my hope that the province will recognize the significant price that this delay has caused, take into consideration the significant amount of community and public support demonstrated for the project and provide 100% funding for any shortfalls that might result from this delay.

Lastly, there currently exists a lack of appropriate training assistance to assist businesses when establishing a new operation. Too often, training is provided in a very broad range to address the needs of displaced employees. However, no funding is made available to employers in the process of creating permanent jobs which require training activities to meet the specific needs of the positions being created. This form of assistance would be extremely attractive in dealing with potential businesses and development clients.

In conclusion, Mr. Chair and members of the committee, I'd like to thank you for this opportunity to present my thoughts during these pre-budget consultations. I've highlighted for the committee a number of issues that, if the provincial government were able to undertake them, would greatly add to the economic growth of the city of Cornwall.

I recognize that it is difficult for the government to meet the needs of all the presenters and all the taxpayers across the province. I would like to point out that Mr. Duncan was quoted as saying on December 15, 2005, when speaking about the quality of the submissions he heard at these very budget submissions, that all views presented "wanted essentially the same thing: that the government spend their money wisely, with a plan to meet and invest in priorities."

Might I strongly suggest to the committee that if the provincial government is serious and firm in its resolve to provide assistance to our community as we work through this transition in our economy, the initiatives I have outlined above are a critical step toward the recovery of our local economy. It is my hope that these requests will receive the attention that they so desperately deserve.

Once again, I thank you for the opportunity to present here today.

The Chair: Thank you for the presentation. We'll begin this round with Mr. Prue of the NDP.

Mr. Prue: You brought up something which we have not heard from any other presenters before, and that is that the government of Ontario consider devolution of some of its civil service to Cornwall. This is not a new idea, but it is the first time that we have heard this on the tour so far. Can you tell me what government departments you might think could locate in this city?

Mr. Savard: I'm not sure that I have a specific department in mind, but clearly, as we look to create jobs and opportunity, we think there are some real opportunities, particularly with our location close to the Quebec border and also next to Ottawa, within one hour's drive. There are clearly some opportunities that some of our displaced workers or even some relocated folks to Cornwall and area could provide, some real strong economic advantages to some of the initiatives that we're trying to undertake. I would suspect that our city leaders would be willing to work with the provincial government to find the one that would make the most sense, of course. There may be some geographic considerations that should be looked at when dealing with some of the issues that we deal with here on a regular basis.

Mr. Prue: The obvious advantage, of course, is the high level of bilingualism in this city because of the close proximity to Quebec and to Ottawa. But there is another difficulty with this: Most of the civil service is unionized, and they have certain job guarantees. They would be allowed to come, which might help the economy, but it wouldn't necessarily help the job market or people getting jobs. Any thought on that?

Mr. Savard: Clearly, any opportunity that we would have to move some of that stuff here—and I recognize that a lot of the things I've outlined in this particular submission are not easily accomplished. But what I said in my presentation was that if there was ever an opportunity or a new department being created or something being moved out of the GTA, we would hope that Cornwall would be given the consideration that all other communities would.

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

Mr. Lalonde: Thank you for taking the time to come and address the committee. You're a member of municipal council here. Do you feel that we are really starting to feel the impact of the downloading that happened in 1998?

Mr. Savard: There's no question. The services in 1998 were downloaded with the notion that they would be revenue-neutral, and things like social services, social housing and land ambulance, we're recognizing today—as I think you'll hear from municipalities all across the province—that they're not completely revenue-neutral. The CRF program didn't cover that shortfall; the new OMPF program has not covered those shortfalls. What we're seeing from a municipal perspective is that we're taking current municipal dollars to fund downloaded

provincial programs that quite frankly we can't afford to do anymore, because we're raising tax rates, we're cutting capital programs, our infrastructure is crumbling and we're doing that at the expense of funding these provincial services.

1130

Having said that, I still believe that those services are best delivered by the municipal government. I think we've taken those particular areas and shown remarkable improvements in land ambulance, social housing and social services, because I think we're the government that's closest to the people and probably can best manage those. What we're really saying is that if it was downloaded with the notion that there would be four quarters for a dollar, we need a couple more quarters.

Mr. Lalonde: Yes, because also when you look at the infrastructure, especially for road services, 4,800 kilometres of road were downloaded to the municipalities and I'm sure down here, with Highway 2 especially, and all the surrounding area in Stormont, Dundas and Glengarry county, they are really, really affected with this downloading. Especially, there was \$480 million downloaded to municipalities. When I looked at Prescott and Russell alone—not Glengarry, Prescott and Russell—they had a shortfall of \$23 million after they calculated everything.

I remember at the time when the ambulances were transferred to municipalities, it was supposed to be 100%. We fought and we finally ended up with 50%. What is the percentage at the present time that your municipalities are paying towards land ambulance services?

Mr. Savard: I don't have the specific numbers, but I think you're correct; it was supposed to be 50%. I think we're probably getting about 25% subsidy. Our taxpayers are picking up the difference.

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

Mr. Hudak: Thank you very much, Chris, for the presentation. You covered a great number of issues. I appreciate all the input on that variety.

The sad loss of the Domtar jobs and Nestlé and other area manufacturers, I think, has been caused, really, by the high tax rates that we have in the province of Ontario. Our business taxation levels are among the highest in the world. Hydro prices are escalating rapidly and will probably do so again in the spring. The McGuinty government is clinging to this notion that we should close down about 20% or 25% of our power supply, which will obviously lead to higher prices. What's your view, in a general sense, about trying to lower the tax burden that exists on businesses and working families and on hydro policy?

Mr. Savard: Clearly, any time you can provide a situation where the people looking at our community are going to pay less tax and have a greater ability to invest those dollars into the things they deem to be important, whether it be retraining or employees or new buildings or new production lines, those are very positive things. One of the challenges that we face, as I've mentioned, with the education tax rate—I believe we're sitting at third-

highest in the province. If we were to get just to the provincial average, that would equate to a 20% reduction for our commercial taxpayers. I know that in the facility I manage—it's the largest commercial shopping centre in the area—we're paying almost \$8 a minute in municipal taxes when we're open. It's a significant barrier to attracting investment to this community.

Mr. Hudak: I'll ask two quick questions in the interest of time.

First, one of the proposals the McGuinty government has brought forward—this is for your municipal hat—is to give municipalities new taxing authority for things like parking lots, theatre tickets etc. Your comments on that notion?

Secondly, you're obviously a strong champion for the local hospital. You talk about the delay in the announcement and the hospital project inflation. What indication on cost-sharing have you received from the province, and did they acknowledge your concerns about project inflation?

Mr. Savard: In terms of new revenue streams, I recognize the challenge that the provincial government has in terms of, if they were to make everything not revenue-neutral be revenue-neutral, there's a significant price tag, and I don't know where those dollars are going to come from. So it may involve some additional taxation authority. I think the real challenge will be to make sure that we're not creating another problem someplace else. I think there will have to be some serious consideration of what those issues are and where they're challenged. Perhaps an appropriate user fee—and perhaps that's a discussion for another day. In general, I think it's something that is worthy of exploration, but there's a caution that needs to be exercised to make sure that we're not just moving the problem someplace else.

In terms of the hospital, I had an opportunity yesterday to speak to some of the senior administration at the hospital. At this point, they recognize that there is very likely a probability that there will be a cost overrun as a result of the delay, perhaps 6% to 9% per year. It could be as high as 18% on an almost \$60-million project.

To my understanding, there has been no concrete identification as to how that money would be funded. Would it be funded from the provincial government? Would it be under the same format, with so much from the local municipalities? Will the community, that already has almost raised its \$10-million goal, be asked to raise an additional set of numbers, another 20% perhaps, to cover that cost? Clearly, I don't think there has been a definitive answer. One of the things I'd like to raise today is that I think that's something where we should get on now and find the answer. Obviously, I hope that the provincial government would come to the table with 100% of that shortfall.

The Chair: Thank you for your presentation.

DIANE THOMPSON

The Chair: I call on Diane Thompson to come forward, please. Good morning. You have 10 minutes for

your presentation. There may be up to 10 minutes of questioning following that. I ask you to identify yourself for the purposes of Hansard.

Ms. Diane Thompson: My name is Diane Thompson. I live in North Stormont in a community called Moose Creek. I've been an active member of the community, serving on a variety of organizations. But the comments that I make to you this morning are my comments as a citizen and reflect my interests and concerns about my immediate community and the community at large.

My suggestions are framed within an open systems approach that involves consultation with all individuals involved in any change process. It is fundamental that those who are impacted by the changes we wish to implement are involved in the decision-making process about matters that directly impact on them.

The two major concerns that I wish to address this morning are health and wellness and economic development.

The concerns I express in my submission surround obesity, first and foremost, under health and wellness. Obesity has increased to levels that threaten the health of our population, our children and their future health outcomes as adults. In a recent documentary, it was estimated that 70% of all Americans are obese as defined by the body mass index rating and that by 2015, 100% of all Americans will be obese. It is assumed that these ratings are closely aligned with our population. I did note that Dr. Sheela Basrur, on your health promotion site, has indicated that in 2003 one of two Canadians was obese.

High numbers of children are experiencing the onset of type 2 diabetes, which typically does not occur until adulthood. High levels of cholesterol are showing up in blood samples from teenagers.

The factors implicated are diets high in fat and sugar, reliance on fast foods and packaged foods and sedentary lifestyles in a 24/7 work world as well as additional hours spent at computers for communication, study and leisure. Other factors relate to lack of education about the positive effects on health from healthy food intake and physical activity. For example, in my case, just a singular one-inch square of cheese per day is all I need to maintain healthy bones. I probably consume a lot more cheese than that, as we all do.

The supersize and meal deal phenomenon has led to a norm of overconsumption of calories, resulting in excess weight gain and health risks. Unless we reverse this trend, health costs relating to heart disease, diabetes, cancer and knee replacement will escalate beyond our ability to pay.

Some of the interventions that I recommend are:

As a first step, reach out to the community of experts. Consult with dietitians, nutritionists and physical education experts to develop programs with a goal to change behaviour on the front line, with children, in a learning environment. Children embrace change and new experiences and influence change in their wider environment. This is the reason many food advertisements are aimed at children: they influence the purchases their parents make.

Provide positions for dieticians and nutritionists, accessible to all in the community who wish to have support in their weight-management efforts.

Foster a cradle-to-grave healthy living vision and commit to it by providing resources.

From a preventive perspective, educate the wider community about the natural protective benefits of certain foods.

Physical activity is promoted by the medical community to improve outcomes after illness. We need to get ahead of that curve and prevent illness from occurring.

1140

Some of the barriers I see are: old paradigms—an illness model rather than a wellness model; protectionism among regulated professions; lack of vision; it's difficult to assess in a cost-benefit analysis; outcomes will occur in the future, not in the short term.

I would like to propose that a task group be created to engage the community of experts in health, education, nutrition and physical training to develop system-wide intervention to develop lifelong habits of healthy eating and physical activity.

The secondary concern surrounds economic development. You've heard comments in that regard already, but the concerns I cite are: loss of jobs due to closures in the manufacturing sector; lack of good jobs; lack of recognition that the global marketplace is having a negative impact on our economy; lack of strategies to build the knowledge economy; lack of attention to education as a lifelong process.

Some of the interventions that I thought might be helpful would be to: foster innovation in education and industry; invest in research and development; consult with the greater community to develop initiatives to compete in a global environment; provide tax incentives to new entrepreneurs to encourage hiring; implement program evaluations that empower program leaders to be accountable through total quality improvement methods.

My proposal as well would be an immediate striking of a task force of community leaders and experts in technology areas, including biotechnology and nanotechnology, with a goal of establishing a centre of research and innovation in Cornwall.

I submit these comments to you for your consideration. I thank you for the opportunity to make these comments to your committee this morning.

The Chair: Thank you for your presentation. We'll begin with the government.

Mr. Wilkinson: Thank you for coming in, Diane. We're very happy to be in Cornwall. You know, we could take your presentation right out of the work that Jim Watson is doing as our new Minister of Health Promotion. I understand it's the first full ministry for health promotion in the country. Other provinces, I think, are following our lead now.

Part of that is inspired by the work of Roy Romanow and the royal commission about what we are doing to create a wellness culture, because structurally we have a system that deals with illness, and how do we turn that

around? Particularly what you were saying about changing it with children—I mean, we've done that in other things: drinking and driving, public smoking, all of those things take time to change culture.

When we were kids, we used to have phys. ed. in our schools. Gerard Kennedy, our Minister of Education, is putting that back in, and banning junk foods so we're not sending a signal to our elementary students that they should be eating sugar every day as opposed to healthy snacks.

My concern is that you're saying that there should be a task force. Have you looked at the Ministry of Health website? Is there a way for you, as a concerned citizen and as someone with a network of experts, to plug into that movement that the government is already taking?

Ms. Thompson: I actually reviewed the website and spent some time reviewing the 78-page report of Dr. Sheela Basrur that is posted on the site. I guess my concern is, what are the actions or strategies that are taking place that relate to that? She posted her report in November 2004, citing this one-in-two figure of Canadians who are currently obese.

In the community where I am and in the circles I function in, I'm not seeing a lot of activity in this area. Perhaps it's just that it's not in the media for me to see that these actions are taking place. But I was very pleased to see this ministry set up. I think that anything that can be done in the greater community to communicate that site to people is beneficial, but action has to follow the strategies. I'm not seeing that those actions are taking place, and I see it as something urgent. I do see that change will take time, but I do see it as something very urgent that is cross-ministry and engages all groups of individuals in the community.

Mr. Wilkinson: I'll make sure that the minister gets your presentation.

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

Mr. Barrett: Thank you, Diane. I certainly appreciate the issues of disease prevention and wellness and health promotion being tabled before a finance committee. I think that's significant just on its own. I think it's significant that you talk about a task force to pull together not only ideas but some action plans with respect to health promotion, and also a second task force to deal with some of the economic concerns that we have in this area. It would be great if down the road there could be some cross-referencing.

Not all the answers lie with the Ontario Legislature, and certainly not with the ministry of illness or the ministry of sickness. Having said that, we know that a very large proportion of the money does go to the Ministry of Health; the Ministry of Health Promotion has an incredibly small budget by comparison.

The other danger as well, when you speak with legislators: Much of this isn't going to occur by passing legislation. Again, as you've indicated in your intervention, to continue working with children in a learning environment—that learning environment may well be in their

own home, to counteract the environment they're exposed to, for example, in a corner store or in a fast food restaurant.

There are some successes. I think of the drinking and driving movement in the early 1980s, where we saw a paradigm shift. I think of rural high schools: Drinking and also driving were combined, and the students themselves mobilized and took that over. Right across North America we saw some success.

Further to these task forces, I know you can pull together some experts, but what do you see the experts doing beyond having a chat?

Ms. Thompson: I see this coming from an open systems paradigm. You must include all of these people in these greater discussions, because they have impacts for everyone. As you suggest, very often when you include even the children or the young people in these kinds of discussions, they contribute to the decision-making themselves, and then in that situation they are more likely to actively undertake change.

So behaviour change is important. It covers not just food intake but physical activity—you can't have one without the other—and then the commitment in the education system to have such an intervention within the educational system.

That's why I see the experts coming together to have the dialogue and that they, at all levels, are involved in the discussions that would be proactive to develop a strategy.

The Chair: Thank you. Now Mr. Prue of the NDP.

Mr. Prue: I wanted to deal with the technology, biotechnology and nanotechnology and the striking of a task force. We have many institutions in Ontario that already do this. We had an excellent presentation from Queen's University today. We have the MARS project in Toronto. There's one at McMaster University. I think there's one at virtually every university in Ontario. How would this be different? To strike another task force—I don't know. How would it be different from what we already have?

Ms. Thompson: What I was getting at was the striking of a task group in this community that would bring together those strategies to look at possibly having that kind of institution in this community to attract jobs, to further look at economic development in those areas. We are in a knowledge economy, and I see it as something that can be fostered in this community.

I know the University of Waterloo is a centre for excellence in technology. A lot of people go directly there to seek advice and develop strategies. But we are in a situation in this community where the economic downturns require some other approach. I think there is a case to be made for government intervention in communities such as this, and I see this as a way that we can begin to look at a different kind of intervention. It's not just about creating jobs; it's about creating good jobs in a knowledge economy.

Mr. Prue: But is the information not available from the other sources? What you really need is somebody with money, some entrepreneur with skill and verve and

drive to use that innovation and see Cornwall for the opportunity that it is, with an educated workforce, with most of the citizens being bilingual and with all the other things you have. That's what I'm trying to understand: how another task force, other than being centred here, is really going to help.

Ms. Thompson: I still see a task force as being a government intervention that would be useful to this community in these particular areas. This particular area has been resource-centred in terms of job creation, and I think that this community, combined with some experts in this field, can have a look at other ways of bringing work opportunities into the area, particularly in the area of a knowledge economy, which we need to move toward to compete in a global environment.

The Chair: Thank you for your presentation this morning.

For the committee, lunch will be served in the Upper Canada Room. This room will be closed over the noon hour. I remind the audience of that as well. We are recessed until 1 p.m.

The committee recessed from 1151 to 1302.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

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

I would call on the Catholic District School Board of Eastern Ontario to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to 10 minutes of questions following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Ron Eamer: I'm Ron Eamer, chair of the Catholic District School Board of Eastern Ontario.

Ms. Bonnie Norton: I'm Bonnie Norton. I'm the manager of finance with the school board.

Mr. Eamer: In opening my presentation this morning, I will say that we must congratulate the present government on a lot of the improvements it has made up to this point in time. However, as you'll see from my presentation, there are still some outstanding shortfalls that we would certainly like the government to address in their upcoming budget. We thank you for the opportunity to make this presentation.

Our board covers the eight eastern counties—Prescott, Russell, Stormont, Dundas and Glengarry, Lanark, Leeds and Grenville—here in eastern Ontario. We have 15,000 students distributed over 52 schools. Our statements indicate that our operating budget last year was \$116.5 million, and we've just posted a \$1.2-million deficit. It looks like, at the end of the 2005-06 school year, that will have grown to \$1.548 million. The major contributing factors to this projected deficit are revenue shortfalls associated with outdated provincial salary benchmarks and inequities in funding for the remote and rural grant, a component of the geographic circumstances grant. We have some brief highlights to support these statements.

The major funding concerns will be the employee compensation package, remote and rural funding, school renewal funding, French immersion grants, full-time junior and senior kindergarten funding, and of course capital funding.

Some 79% of our total operating expenditures goes towards employees' salaries, and therefore that has the biggest bearing right now on our budget. Currently, the funding gap between the provincial teacher salary grant and the board's current teacher salary grid for 2005-06 is approximately \$4 million, which averages \$4,765 per teacher.

Further complicating matters is the funding that's presently accorded the boards for preparation time. The provincial government provides funding for 146 minutes per week, while in our case we provide 160 minutes per week. Under the new framework, the teachers have been guaranteed 200 minutes per week over the next three years to work up to that, with funding only coming in at 171 minutes. So you see the difference there: It grows from 14 minutes presently to 29 minutes three years down the road, which will double the deficit of \$375,000 in this area to three quarters of a million dollars.

A recognition of actual salaries paid and actual elementary preparation time in the school board operating grants for 2006-07 is critical for the Catholic District School Board of Eastern Ontario to avoid a significant deficit.

Therefore, the recommendations would be that the government of Ontario update provincial benchmarks for salaries that recognize the actual cost of salaries, and that the government of Ontario fully fund the elementary preparation time that boards are providing according to the provincial framework.

Remote and rural funding—there are maps which will explain this a little more clearly and very quickly; you have them in appendix A and appendix B at the back of the book. We just don't get what other boards in the area get because the format states that we're too close to the city of Ottawa. We're no closer than anybody else, but it does have something to do with the location of our central office. You'll see that our neighbouring boards receive approximately \$3.3 million, while we get \$1.3 million. That alone could solve the deficit problem for the time being.

The recommendation related to that is that the government of Ontario revise the distance component of the remote and rural allocation to provide fair and equitable funding.

Our board's plant operation motto is to keep our schools safe, warm and dry. We have identified over \$42 million in projects under school renewal. The immediate requirements identified for each of the next two school years is \$3.4 million. The board's current allocation is \$1.7 million, or just one half of this funding. Detailed data of school renewal needs, including projects by priority level and by year, have been compiled using the ReCAPP asset management software. For this board, ReCAPP identifies over \$27 million in school renewal

projects that were required for 2003-04 based on inspections carried out in 2002-03. Of this \$27 million, \$15.6 million was considered to be high and urgent needs. In 2004-05 the ministry funded 40% of this amount, or \$6.1 million, under Good Places to Learn. So that's just 39% of the needed amount.

Our recommendations are that the government of Ontario allocate funds for school renewal to meet the needs as identified through the renewal capital asset planning process, and that the government of Ontario announce and distribute funding associated with stage 2 of the Good Places to Learn initiative in a timely fashion to enable boards adequate time to plan and implement in an effective and responsible manner.

French immersion funding: I'll let you read that on your own. But I will read the recommendation that the government of Ontario revise the grant for immersion students in English boards to be more in line with neighbouring French boards. We base this on the fact that five of our eight counties under the board's jurisdiction are bilingual communities adjacent to the Quebec border. So we see a real need in our schools in those counties to have more funding to supplement the French-language programs. Basically, all our families are 50-50 families, which leads to the need for improved French education.

Full-time junior and senior kindergarten: Prior to the provincial changes in funding that support kindergarten programs, our board had full-time programs. Our experience with full-time kindergarten has been very positive, as this allowed for more instructional time in our bilingual programs and in reading and mathematics studies.

1310

The report by the Honourable Margaret Norrie McCain and Fraser Mustard shows—as more and more research also shows—that the more opportunities children have for formal learning, the better their chances of success in school. For our children, meeting their educational goals is our primary responsibility, and we must take action now. Our board is not adequately funded to provide full-time junior and senior kindergarten, while our coterminous French boards have the available funds.

The recommendation would be that the government of Ontario recognize full-time junior and senior kindergarten enrolment for funding, so that in addition to French families, English Catholic families may also enjoy the benefit of early learning opportunities for their children.

Capital funding: The board fully supports the government's recognition that sound decisions about school facilities can only be made with long-term planning. To help boards develop a plan, the ministry provided a web-based capital planning tool that takes into account a full range of relevant public policy objectives, is transparent and informed by input from the public, and uses funds efficiently by representing the best long-term investment for capital funds in terms of new construction and maintaining existing resources.

To date, no announcement has been made as to how these future capital plans will be funded by the gov-

ernment, and some boards have committed all their current new pupil places grants towards principle and interest payments for existing debentures. So in a lot of cases capital funding has come to an end and projects have come to an end, awaiting future developments.

The recommendation is that the government of Ontario announce and distribute all capital related funding to boards in a timely fashion to enable time to plan and implement in a responsible, accountable, efficient and effective manner.

In closing, the Catholic District School Board of Eastern Ontario would like to thank the ministry for the opportunity to provide input to the 2006-07 school board operating grants. The issues identified are serious, and we look forward to the government's response to these issues so that we may continue to provide strong English Catholic education programs in eastern Ontario.

I draw your attention to the back of the booklet provided. There is a bar chart there which shows the funding we presently receive as being basically the lowest in eastern Ontario. The factors that I commented on earlier are what contribute to this. You'll notice that there's a little note at the bottom that says this comparison excludes grants for school renewal, the adult and continuing education program, and special ed. We kept that strictly to the operating grants and did a comparison, and we're certainly coming up short in comparison to other boards. We'd like very much that the provincial government would undertake to review this and act on some of the recommendations that we have included here today, and also the recommendations that we've been sending to the Ministry of Education over the last two or three years.

Thank you, Mr. Chairman. That concludes my presentation. I'm now available, along with Bonnie, for questions on our presentation.

The Chair: We'll begin this round with the official opposition. Mr. Hudak.

Mr. Hudak: Thank you both for the presentation. We've heard from a number of school boards. There is some unfortunate fallout from a rather extraordinary event where the Minister of Education basically entered into collective bargaining that was happening and has really forced a mandate upon the school boards to increase teachers' salaries significantly and, as well, to increase preparation time—so they're being paid more and are in the classroom less often—without giving you the due resources. Basically, in your first couple of pages you make the point—I'm trying to catch up to the number here; it's significant millions of dollars. If the committee came up with a recommendation that said the Minister of Education should not force unfunded mandates on the school boards, would you be supportive of that type of initiative?

Mr. Eamer: I guess, having said what we said earlier, yes, we would have to support that. On the other hand, our recommendation now is that the situation has been created, and we need help to address it. In our presentation you will also note that we were the second-

lowest-paying school board in the province prior to the framework being established.

Mr. Hudak: So approximately an 8% salary increase is what was downloaded on the school board by the McGuinty government's interference in collective bargaining.

Mr. Eamer: Yes.

Mr. Hudak: This morning and this afternoon one issue did come up to the committee: A proposal that there should only be one school board. We had that presentation, and there's a group that will be presenting shortly after yourselves. As representatives of the Catholic district school board, I anticipate that you would advise against a single school board for the area.

Mr. Eamer: Absolutely.

Mr. Hudak: Maybe you should go on record as to why the Catholic school board would disagree with that point.

Mr. Eamer: We do enjoy the right and the privilege to have our own school board, to have a Catholic school board and to promote our faith through the school board and so on. We think that we provide a service to our 600,000-plus students across this province in that we have a faith-based system that allows us to develop the total character of the student to an extent that is beneficial to the overall provincial citizenship or the general public of this province.

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

Mr. Prue: Just in terms of your recommendations 6 and 7, it seems to be in this area that there is unequal treatment between those whose mother tongue is French and those whose mother tongue is English. Is that a pretty fair statement to make?

Mr. Eamer: Yes, and we're not knocking the funding the French boards get. I don't want to make it sound like that's a detrimental comment about their funding. We think they're privileged to receive adequate funding; we think they need the funding to do the job they do. But if they need that type of funding for the education of French children, we need similar funding, or almost similar funding, to educate our English children as well.

Mr. Prue: I just want to make sure I've got this information correct in terms of junior and senior kindergarten. What you're saying is that you don't have these types of facilities.

Mr. Eamer: No, we don't. We don't get funding for that, whereas they have enough funding, with the difference in funding per pupil, that they can offer the full-day program. In some of our bilingual communities, like the small town of Alexandria, which is just north of us, on one side of the street you can have full-time kindergarten programs, and on the west side of the street, you can't. On the east side, you get the full benefit of adequate funding. On the west side of the street, you don't, because on the east side is the French board, and on the west side is the English board.

Mr. Prue: Do parents register their children in the other language group in order to get this? There are ways around it.

Mr. Eamer: Yes, and I must say they have found their way around it in a lot of cases. English families are finding ways to register their children in the French school to take full benefit of the expanded programs.

Mr. Prue: You are also asking that the grant for immersion students in English boards be more in line with neighbouring French boards. Again, I take it that the funding formula or the arrangements they have with the ministry are more favourable to those French boards than to you.

Mr. Eamer: Yes, our French-as-a-second-language program is not funded to the extent that we need it to be funded. For the very same reasons that the French boards need additional funding, there are additional costs necessary to provide the necessary resources. We could see that improved in the five eastern counties, where we have 50-50 programs in virtually all of our schools.

Mr. Prue: In terms of dollars, what would it cost for you to come up to parity with the French boards in this area? This is the budget committee. They always want to know how much it's going to cost.

Mr. Eamer: The bottom line right there says, "Additional annual grants received." If we were to come up to the lowest—well, they're just about identical. If we were to receive funding similar to the French boards, we would receive an additional \$26 million a year. That's the difference right now, based on our 15,000 students. That is a lot of money. We could show you a system second to none in the world, I'll say, if we had \$26 million a year more instead of coming up \$1.5 million short, because the difference between that position and the one we've got now is significant.

The Chair: Thank you. Now we'll move to the government. Mr. Wilkinson.

Mr. Wilkinson: Thank you so much for coming. We appreciate that you're here. We'll make sure that your report gets to Minister Kennedy and also to Minister Duncan.

My question centres around the rural and remote. Many of the members here are rural. Can you discuss the school bus funding issue here? We hear across the province that that's where there's an inequity between boards.

Mr. Eamer: There's some inequity there. We've done a lot to consolidate our busing program lately. We do operate, where we can, with other boards in the area to maximize the use of transportation dollars. At the moment, we seem to be doing reasonably well in that area, but if changes that have been suggested over the last couple of years are enacted—am I right, Bonnie?—we're going to see a significant decrease in our transportation budget, which is going to force us to take a real long look at how we do busing and making children in remote areas walk an additional distance where safety is a real concern and so on.

We've changed bell times at schools so we can use the same bus for two and sometimes three schools so that we can get to them on time and maximize the use of those buses. We do what we call double runs and, on the odd

occasion, we have a triple run. We've done everything we can to maximize the use of transportation dollars at the present time.

1320

Mr. Wilkinson: Do you coordinate with your coterminous boards into one busing arrangement?

Mr. Eamer: Yes, we do, where it's possible because of the schools. You have to realize that our coterminous board has 130 schools, and I think we have 52 schools, so sometimes our transportation needs aren't identical, or the timing of our delivery of students wouldn't be such that we could share the bus route. But where busing can be shared, we certainly do that to maximize our savings.

Mr. Wilkinson: That helps us, because it's different across the province. For some boards, it's a tremendous problem between coterminous boards. One gets funding based on the formula that you were talking about—where is your board office? You were saying that because it's so close to Ottawa—

Mr. Eamer: The suggestion, I guess in the legislation, is that because of our central office's proximity to Ottawa, it should be cheaper to operate. Well, let me tell you, it's not. It's just a big block on the map that we have to operate around, because we operate right up into Lanark county and all the way out to the Hawkesbury area, which is on the Quebec border in the northeast corner, and down to the St. Lawrence River and the Quebec border on the southeast corner. It's a very remote board, yet because of the location of our central office, we're penalized and we're not allowed to access the full benefit of the distance component of the remote and rural grant.

Many people in the administration side of the ministry have indicated to us that that's a fault with the funding. They've been telling us that for three years. We've been asking for it to be corrected: "Please make an exception, and that will solve part of our problem." It hasn't happened yet. We ask you people today to really consider that. We're requesting that the minister take a long look at that and set somebody on the job and get it done. If you look at the map, if you look at the other boards and their proximity to Ottawa, they're exactly as close as we are. As a matter of fact, one has fewer counties than we do and gets \$2 million more. It's hard to understand.

Mr. Wilkinson: And your board office is where?

Mr. Eamer: Our board office is in Kemptville.

The Chair: Thank you for your presentation this afternoon.

Mr. Eamer: Thank you, Mr. Chairman.

CORNWALL COMMUNITY HOSPITAL

The Chair: I call on the Cornwall Community Hospital to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Jeanette Despatie: Thank you. I'm Jeanette Despatie. I'm the chief executive officer at Cornwall Community Hospital.

Mr. Nick Vlacholias: And I'm Nick Vlacholias. I'm the chief financial officer at the Cornwall Community Hospital.

Ms. Despatie: Cornwall Community Hospital is a multi-site community hospital in Cornwall. We have an operating budget of approximately \$85 million. We operate approximately 182 acute care beds with 65,000 emergency visits, 10,000 surgical cases, and about 100,000 diagnostic tests every year. The Cornwall Community Hospital is a new organization. We assumed the ownership and the operation of two former acute care hospitals in Cornwall on January 1, 2004. We are one of, or maybe the largest, employer in SD&G.

Overall, today we are here to discuss what is happening at our hospital and in the hospital sector as a whole. Specifically with respect to the health transformation agenda, the hospital accountability agreements and the development of the LHINs are the issues we will refer to.

In 2005, change remained the theme for the Ontario hospital sector. The wait time strategy, the ReNew Ontario infrastructure plan and the introduction of multi-year hospital funding plans are examples of positive change. Changes work when the government provides the inputs, the backup behind these initiatives. That might include financial and human resources necessary to make them work.

Specifically with respect to the hospital accountability agreements, Ontario hospitals, including Cornwall Community Hospital, are very supportive of the hospital accountability agreements and their principles. We believe that the hospital accountability agreements will create an environment of mutual accountability for funding and operating decisions between the hospital and the government. They will also provide hospitals with the flexibility that we need to operate within a fiscally constrained environment.

But any major change brings growing pains. For example, the hospital accountability agreement process was originally slated to conclude in November 2005. This really is for a fiscal year that ends in March 2006. It was a two-year, legally binding balanced budget. These performance agreements, for the most part, remain outstanding today. Cornwall Community Hospital is in the process of negotiating and finalizing our agreement. It is in everyone's best interests that we move on these agreements, that we proceed with the transformation agenda and address the obstacles.

Consequences of not dealing with this and remaining on timelines includes the uncertainty in the hospital sector for employees, and that is a direct relationship to our patients. Delays in concluding the process have prevented hospitals from implementing their efficiency plans and, quite frankly, addressing the deficits that do exist. Our deficit this year, for example, is forecast at about \$4.2 million. We are continuing to work with the

ministry to make the process a success and to protect patient care in the province.

Nick is going to speak in a little more detail around some of the other implementation initiatives.

Mr. Vlacholias: Local health integration networks are the keystone of the government's health system transformation plans and are designed to create a well-coordinated continuum of care. Experience in other jurisdictions indicates that system integration has been successful where governments made necessary upfront foundation investments in human resources, e-health information and communication technology. At the Cornwall Community Hospital, being a newly amalgamated consolidated hospital, we are in the process of changing all our IT systems to ensure the continuity of care across both sites and to allow for integration with regional systems. This does not come cheap.

Canadian health care information technology spending lags behind that in the United States. Canadian hospitals are approximately 1.8%, US hospitals are in excess of 2.5% and private industry is in excess of 5%. Our hospital only spends 1.2% of its operating budget, one of the lowest amongst Ontario hospitals. The Ministry of Health and the province of Ontario must increase the investment in e-health and information technology and remove barriers to investment in this technology.

The government must also continue to invest in providing funding for replacement of diagnostic and medical equipment. This has been proven to enhance the delivery of care. For example, last year the province provided funding to our hospital in the amount of \$2.2 million for replacement of our CT scanner. In only five months we have reduced our waiting list from 12 weeks to four weeks, using the same operational budget. We expect our waiting list to decrease even further. This year, funding is minimal. I think this committee should suggest to the government that the funding be revisited.

LHINs and labour transition: Bill 36, the Local Health System Integration Act, makes provisions for staff and services to be moved and/or reconfigured. The move to LHINs will almost certainly result in the levelling up of wages and benefits at both the LHIN and provincial levels. Our recent experience has proven that amalgamation initially costs more money. Our operating budget increased by \$1.1 million just because of harmonization costs. Efficiencies will only be achieved in the long term. The government should ensure that it is prepared to accommodate unintended—possibly large—costs of staff and service redeployment.

1330

Another issue facing hospitals is working capital. One of the best indicators of short-term and long-term financial viability is the entity's working capital. The working capital of hospitals has depleted over the past five years to a level where the financial viability of some hospitals had been undermined. The government must quickly address the \$1.3 billion in working capital deficits in hospitals across the province in order to restore the financial health of hospitals. The working capital deficit at our hospital is \$10.7 million.

Working capital deficits prevent hospitals from investing in efficiency-enabling technology; namely, information technology systems. Hospital funding is now being diverted to pay interest costs on working capital deficits. These are funds that can be better spent on patient care.

The other issue is basically capital infrastructure. The average age of Ontario hospitals is 43 years. Our hospital is at the average. Capital construction across the province is estimated to be approximately \$8 billion. The Cornwall Community Hospital has submitted a capital plan to renovate and expand our McConnell Avenue site to locate all services there. Once completed, the operational efficiencies are estimated to be \$2 million. Although we are delighted to be on the government's plan to renew hospital infrastructure, we are disappointed with the delay of our project to 2008. In the meanwhile, we are faced with these inefficiencies by operating two hospital sites. To counter this, the government has provided us with approvals to move forward with early works projects that will reduce some of the operational inefficiencies. Investments in hospital capital are really investments in patient care.

Ms. Despatie: In closing, we encourage the government to recognize that we need to invest up front in the change initiatives that are on the table so that we can achieve this success. Secondly, we need to establish a clean starting point for hospitals. That \$1.3-billion working capital deficit truly needs to be addressed. Thank you.

The Chair: Thank you. This round of questioning will begin with Mr. Prue.

Mr. Prue: What you had to say about getting the technology and reducing the service from 10 months to four months—I think that's what you said.

Ms. Despatie: The CT scanner.

Mr. Prue: That more or less says it all in terms of what the government is attempting to do. Why has it been so difficult in the past to get this kind of technology? I mean, you just got it, and it doesn't look like you're going to be able to make any kind of advance on that this year. What is the difficulty in getting this message across?

Ms. Despatie: I would suggest that it's the magnitude of the issue. We're one small community hospital in this province that has a capital infrastructure requirement of millions of dollars, and if we multiply that across the number of hospitals in the province, I suspect it really is the fiscal challenge and the magnitude of the problem. But we are pleased that we were able to improve the throughput and the delivery of patient care, at least in a small measure, through the CT scanner. Certainly today, in the medical environment, technology is absolutely crucial. In order to improve and maintain efficiencies, we need to make that investment.

Mr. Prue: The LHINs: I've heard some people are strong proponents, but there is also a group out there that isn't very happy with this. How is it working in the Cornwall area?

Ms. Despatie: I think it is early to evaluate the LHINs. At this point there has been very little to no real

direct involvement with the LHINs. They are just beginning to get up and running. We know and recognize that there are other interest groups that are not encouraged by what they see in terms of the development of the LHINs.

Mr. Prue: At this stage, it's really had no impact.

Ms. Despatie: That's correct.

The Chair: We'll move to the government.

Mr. Arthurs: Thank you for the presentation. I heard some of the earlier comments. I think for the most part you're seeing as positive the changes in the health care system that we've been trying to achieve through the transformation, in spite of the constraints you're faced with.

One of the things you were chatting about is e-health initiatives, and it's one that all governments have been engaged in. I think it's going to go on for a considerable period of time to realize the long-term objective. I think governments, for the leadership they've shown, and the health community can all take some credit for moving in the right direction.

You were referencing that there are particular barriers to being able to proceed in a more efficient, effective fashion, in a cost-effective way in providing better health care. Can you tell me more specifically some of the barriers you see to being able to take better advantage of e-health opportunities?

Ms. Despatie: I think it goes back to the same issue in terms of the investment in the technology, as Nick said. This is not cheap, but to get there it takes a huge upfront investment. I think that's really the barrier that we were highlighting. To get there, we need to have a recognition for that initial investment.

Mr. Arthurs: Would you see it as a priority financially from the standpoint of, one, being able to provide health care and, two, being able to have the system operate more cost-effectively in the longer term?

Ms. Despatie: Absolutely.

Mr. Vlacholias: There are many aspects to e-health initiatives. One related to patient care is the PACS environment, which is basically digitally archiving X-rays. Right now, we're looking at introducing that technology in the hospital, but it's very expensive, between \$2 million and \$3 million. But the savings associated with that with regard to the capital requirements—not needing areas to store film anymore; everything will be on hard disk—are enormous. The patient care aspect: We can focus more on patient care than just the capital.

Ms. Despatie: Absolutely. We have today, to a certain extent, talked a lot about the efficiency of results of these types of investments, but the improvements to the delivery of patient care are really enormous. The example that Nick gave is really quite significant: The physician who has ordered the CAT scan or the test doesn't have to wait for the film to be read and the report prepared, delivered to his office etc. He logs on to his computer almost in real time and gets the result of that test. So you can appreciate the turnaround improvements to the delivery of patient care.

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

Mr. Hudak: A quick question, and then my colleague Mr. Runciman has some.

On the capital side, refresh my memory: Is the Cornwall project one of the HSRC-directed capital projects? Secondly, what is the funding split that the government has committed to on the capital side?

Ms. Despatie: The Cornwall project is an HSRC-directed project. It looks different than it did in 1998, but it continues to be one of those HSRC-directed projects. Secondly, the funding split is 70-30.

Mr. Robert W. Runciman (Leeds-Grenville): A couple of quick questions. The CAT scan you mentioned: I think you indicated that with your funding envelope this year, you're still restricted. You've been able, because of the new technology you acquired, to increase the number of procedures. On average, on a weekly basis, how many CAT scans are undertaken at the hospital?

Mr. Vlacholias: We perform approximately 9,500 per year.

Mr. Runciman: What's your capacity? That's operating on what sort of basis? Is that eight hours a day, five days a week?

Mr. Vlacholias: It's eight hours a day.

Mr. Runciman: Five days a week?

Mr. Vlacholias: Five days a week. We could increase the capacity to seven days a week and extend the hours if we had the operational funding.

Mr. Runciman: I'd just say you're fortunate. In Brockville, my hometown, where they had to have a CAT scan donated, they get no funding whatsoever. They have to take it out of their general revenue, their operating budget.

I'm curious about LHINs as well, because I think the hospital sector has been rather silent on this issue. Some of the concerns that we hear expressed are just conjecture at this point, I agree. But the centralization of services, for example: You may provide a specialized service now in Cornwall. At the end of the day, when LHINs start to dictate the terms, you may have certain procedures removed in terms of availability at the Cornwall hospital. In fact, you may have to travel to Ottawa, for example, to have any given service provided. Are there any of those kinds of concerns in Cornwall, and if so, whom are you expressing them to? I find the hospital sector mysteriously silent on the implications of LHINs to the communities.

1340

Ms. Despatie: Back to your question, is there concern around that? I think there is in terms of continuing to establish and define the role of the community hospital in Ontario. We see our role as meeting as many of the medical health needs the community requires as we can. We know we're not in tertiary health care delivery, but certainly we do have a full range of surgical-medical capacity at the hospital locally. It would be our goal, and it certainly has been discussed by the board of the hospital, to maintain those services. In fact, I had a meeting

with some of the representatives from the LHIN this morning, and that really is a goal that we articulate. We need to continue to recognize service as close to home as possible as being one of the most important principles for Ontario patients.

The Chair: Thank you for your presentation.

PASSIVE HYDROELECTRIC GENERATION

The Chair: I call on Passive Hydroelectric Generation. Good afternoon. You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I'd ask you to identify yourself for the purposes of our recording Hansard.

Mr. Michael Johnson: Thank you, Mr. Chairman. My name is Michael Johnson. I'm now a resident of Cornwall. I formerly lived in Toronto, and prior to that, in Renfrew, Ontario.

I have put together a package that I hope everybody is able to peruse, albeit it's fairly extensive. I almost feel guilty because I'm not here looking for any money. What I'm looking for is co-operation. Very few people understand what micro hydro generation is. It's relatively inexpensive; in fact, it's embarrassingly inexpensive to do. It's ecologically friendly. It's manufactured now in Victoria, BC, and in Sussex, New Brunswick, in Canada, but nowhere in Ontario or Quebec. Being from the Upper Ottawa Valley, with the rivers, the Bonnechere and the Madawaska, the Gatineau and the Coulange, it's untapped potential. But here in Cornwall I live on the canal, and I know we could probably—even though I'm not an engineer, I do know how to do the calibrations. Using a combination of the type of machines that are in this package I've given to you, we could probably generate three times as much electricity as Cornwall could ever use, and we could do it for less than \$5 million, and that's a once-only cost.

Ontario is built around the water. In villages and towns, everything was built where they could put a grist-mill, and wherever there was a grist mill, the agrarian economy was satisfied because they could mill the grain. They also used it for sawmills. You only have to go to Upper Canada Village to see how simple it is. But that's the way we built this province, and then we ignored it, went away from it. We have so much potential, and passive micro has no ecological—you can't see it. I lived in Germany from 1977 until 1981. I was a member of the armed forces, a captain in the airborne regiment. I could never figure out how they had so much electricity, but it all came out of the Black Forest, out of the mountains, and it was all passive electricity. It's not a new concept. It's been around since the 1880s, and they practise it widely in the Third World. They do it in Thailand; they do it just about anywhere. Generating hydroelectricity in Canada and the United States is big business; it costs a lot of money. You can do the solar power or you can do wind power, but it's intermittent. The St. Lawrence River never stops flowing and the Madawaska never stops flowing and the Ottawa never stops flowing. But we're

not maximizing the potential with this type of technology.

The private sector would jump on this in a minute, but the big thing is that they say you can't because you've got OPG. You know, who owns the wires? Who owns the transmission? That's where I said the private sector would jump all over this. The present government wants to get rid of the coal-fired generators, and probably should. If we're going to meet the Kyoto Protocol, then we're going to have to do stuff. A nuclear reactor is—it happened in Russia once, and it happened once in Pennsylvania; look what happened. But the water never stops, and if it doesn't interrupt the ecological flow, then we can manufacture them.

One of the reasons, for selfish purposes—we've got 900 guys who lost their jobs at Domtar who all have to be retrained. Well, you're not going to retrain them to work in a call centre. I mean, they're all millwrights and electricians. But we could retrain them to manufacture these machines. It's a private sector thing that's a gold mine. Literally, for \$1,000 for something that's the size of a sump pump, you can generate enough electricity for three houses. And that's forever. These things last for like 25 years, guaranteed. My hydro bill in the little bungalow I have out on the canal—I pay \$1,200 a year. I'd buy one of these things in a minute. I have a cottage up in the Pontiac, and I'm putting one in in the spring for sure. It's a relatively simple technology.

We have to get back into the manufacturing process. It's something that's going to benefit everyone. I don't think it needs any governmental financial support, but it needs co-operation. There can't be any such word as "can't." Obviously there are going to be tweaks, we're have to realize. I lived in the riding Mr. Prue represented. Between Taylor Creek and the Don River you could probably provide the power for about 1,500 houses, and it wouldn't cost any more than \$1 million. It's as simple as that. It's done all over the world. It's not new technology. There's no patent on it. The patents have all expired because they were all developed in 1883. I'm looking at it as a win-win situation. We can generate jobs for guys who don't have jobs, we can build these things and we can put them all the way across the country. That's what micro-hydro is all about.

I'm not going to insult you by going through it, but I've given you—there are all different kinds. If you look at the tidal power that they generate in New Brunswick and Nova Scotia, they'd just reverse the propellers: The tide goes out, the tide comes back in. It's a huge source of hydroelectricity and it doesn't cost anything. It's not like coal. You don't have smoke, you don't have pollution, you don't have anything. It's water. You don't have to worry if the wind is blowing and you don't have to worry if the sun is out. Even if you do use wind and solar power, you've got to have batteries, and batteries are corrosive. They've got a negative effect on the environment, and they wear out.

Like I said, I didn't come here looking for money. I came looking for support and co-operation.

The Chair: Are you prepared for questions now?

Mr. Johnson: I certainly am.

The Chair: Very good. We'll begin with the government.

Mr. Wilkinson: I'll share my time with Ms. Mitchell.

Your proposal is that if you're near a watercourse, the electricity would go to somebody's house, or would it go into a neighbourhood?

Mr. Johnson: Ideally, it would be fed into the grid, but the existing grid is inefficient because it's not localized. You throw it into the Ontario grid right now and it could end up anywhere. You lose efficiency in the distance for transmission. So it would be more in tune with localizing the transmission.

1350

We have little villages here in the counties, Martintown and Crysler and places like this, where they could be generating electricity that would feed that particular area. There could be some costs involved in just isolating that, and then you have an override if something ever did go wrong, but right now, the grid is inefficient. That certainly contributes to the increasing costs of our hydro. Quite frankly, if we can reduce the cost of hydro, we can increase the possibility of industrial production. That's one of the key factors in things like Domtar leaving Cornwall: the cost of electricity.

Mrs. Mitchell: Thank you very much for taking the time to make the presentation today. I have a number of gristmills in my riding, and they do act as retailers and sell into the grid. One of the things that they have experienced is the amount of paperwork involved in dealing with OPG, but also, because of the age of the gristmills and the legal deeds, it can become very problematic as to how you move forward as well. Have you actually worked or assisted—

Mr. Johnson: My father was the maintenance manager for the Ottawa and Madawaska River plants for 38 years, and I spent my summers grinding and welding. What happens is that the runners at the bottom of the penstocks get pitted, so we had the enviable job of going down in there at 130 degrees and grinding them with grinders, welding them and then grinding the welds up to rebuild them.

Mrs. Mitchell: As a government we are strongly in favour of moving renewables forward, and certainly water power is very much that. What can we do that can make this more of a possibility for communities such as Cornwall?

Mr. Johnson: Well, I think the next step is that we can either buy them off the shelf or we can manufacture them. Like I said, for the community and for the counties, whether it's Brockville or Cornwall or wherever we do it—we lost some jobs, you know? This is relatively inexpensive to retool and start to develop, and then if you implement them—I'm not sure. I think it speaks for itself. If we can reduce the cost of power, if we can create jobs at the same time and we have a more reliable source of power—these things last forever. The Germans almost won the First and Second World Wars with these things.

The Chair: Thank you. Now we'll move to the official opposition. Mr. Hudak.

Mr. Hudak: Thank you very much for the presentation; very interesting. One thing I'd love to see happen—whether it's affordable or not remains to be seen—is encouraging individual homeowners or groups of homeowners to produce their own power, to lessen their reliance on the grid, which helps get to the situation you'd like to arrive at as well, whether it's windmills or solar panels or perhaps turbines. Is this technology adaptable in that sense, and how much would it cost if I wanted to get together with my neighbours and do something like this?

Mr. Johnson: I live on the old canal. There are four different locations where the water comes through. It's the equivalent of two of the major generators that are in there, and eight carried about 12% of what Ontario's requirements were for years. You could put one in for \$1,000 and you could do three houses, but you'd have to pay to wire it up. But there wouldn't be any difference, because it produces the same voltage: 120/208.

Mr. Hudak: In terms of property rights issues—

Mr. Johnson: Well, who owns the water? Like I'm saying, if you put the water in and then you wire up your house—I know that back up where my cabin is, I own 650 acres, and the creeks that are coming down there, nobody owns them but me. My cousin and I don't have any problem wiring up our place.

It's a major issue. In your case, Mr. Runciman, if you look at the current flow in Brockville, you could probably provide the hydro in Brockville for less than \$5 million, and that would be a once-only cost.

Mr. Runciman: I guess I wonder why this hasn't happened if it's as attractive as you're suggesting it is. One of the downsides is, a lot of the public utilities have been sold off to major corporations in the last number of years. But it seems to me, if this was attractive, why hasn't it happened, especially with municipal public utilities?

I'm a big supporter of what you're saying with respect to localized transmission. I think that is the way to go in terms of smaller generating facilities and not the dependence on the provincial grid. I think it is in bad shape. There's a lot of cost associated and power lost over the lines as well.

It's very attractive, I grant you. I'm going to send a copy of your submission to our energy critic, John Yakabuski, because this is a critical issue for the province over the next number of years.

Mr. Johnson: Mr. Yakabuski could probably generate enough electricity in his own riding to carry—he could be selling it at a profit.

Mr. Runciman: All these old mills have shut down over the years. We've all had them in our ridings. Certainly they have the ability during spring and high-water runoff periods to generate some energy. But I just wonder, if indeed this was a practical and feasible way to go, why it hasn't happened up to this point in time.

Mr. Johnson: It's significant in the Third World. It's big in Alaska. It's big in British Columbia. It's big in remote areas of New Brunswick. But it's almost too simple. It's like, "Keep it simple, stupid," but everybody

forgets that. You know about these gristmills. The water is just flowing and it's not doing anything. If you look at some of these turbines that I've defined in here, you don't even see them in the water. They don't interrupt the water flow; they just generate electricity.

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

Mr. Prue: It just sounds too simple. Are there any downsides? Is there any environmental damage? Does it stop fish populations? Could it be harmful if they got in the rotor blades? What kind of stuff can happen?

Mr. Johnson: That's an interesting question, Mr. Prue. I phoned my buddy, who is the lawyer for Greenpeace in Canada—his name is Rob Wright, from Toronto—last night. I woke him up about 11 o'clock. That's the first question he asked me: How many fish are we going to kill? I don't think it kills any because they have a protective cage around them so that they can't go through the turbine, and that's how they get around that.

Mr. Prue: Okay, so the water flow—it's like a steel net.

Mr. Johnson: There's a steel mesh that's around the outside of them. From a maintenance standpoint, you have to clean that out regularly, but you have to do that in a major dam anyway. That's part of the maintenance process.

Mr. Prue: That's what I was going to ask next, that it would involve maintenance, particularly in the summer if you've got zebra mussels or if you had seaweed or other things that would collect around the mesh.

Mr. Johnson: You have to clean the mesh, but they have to do that here in Cornwall at the generating station anyway. Someone has to go down. They have divers go down. They have screens and they have to clean them up.

The problem is, when they build a dam they cut what they call the headpond and they cut all the trees. You can get anything come floating down. It's what my father did for 40 years.

Mr. Prue: As long as the stream or the river or whatever flows, then it's logical that the electricity would continue. The only downside that I can see, from reading this as quickly as I could, is that in the wintertime it may not be available if the stream is not deep enough or if it's frozen to the bottom.

Mr. Johnson: There's a different process in the winter. You have to drill through the ice and then reinsert the pump, depending on how large it is. If it's not large enough to be able to maintain open water around it, then they drill, they put it down and they bring it up again. It's just a matter of preservation. But the flow of water in the winter is the same; if anything, it's increased this year.

The Chair: Thank you for your presentation.

Mr. Johnson: Thank you for allowing me the opportunity.

1400

COLORECTAL CANCER ASSOCIATION OF CANADA

The Chair: Would the Colorectal Cancer Association of Canada please come forward? Good afternoon.

Mr. Barry Stein: Good afternoon.

The Chair: You have 10 minutes for your presentation. There may be up to 10 minutes of questions following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Barry Stein: Thank you for hearing us today. My name is Barry Stein. I'm the president of the Colorectal Cancer Association of Canada. To my right is Mr. Jack Butt, from our government affairs committee. I will be making the presentation today, and we will both be available for questions.

First of all, I want to take you from the world of asking for money to the world of showing you where you can save money. It's a bit of a different scope, and I'm sure you'll like that idea. But there is a little upfront cost.

First of all, I am the president of the Colorectal Cancer Association, as I said, and I am a cancer survivor myself. I have metastatic colorectal cancer that travelled from my colon to my liver and to my lungs. I'm one of the rare long-term survivors in the country, but at a great cost, I have to tell you. I spent well over a quarter of a million dollars, both in Canada and outside of Canada, and that's just money that I spent.

Just out of curiosity, before I begin, has anybody around this table not had a colonoscopy? One, two, three, four—okay, so you should be very interested in this material, because I was diagnosed at the age of 40. The vast majority of the people are diagnosed at the age of 50; the numbers spike wildly high.

I've left you a package which shows some of the symptoms and signs of colorectal cancer. I'm not going to get into that now. I'd ask you to read that after. Suffice it to say that they're pretty easy to detect and that a colonoscopy or other screening methodology, such as a fecal occult blood test, could readily pick it up and we could avoid the whole cancer situation.

The Colorectal Cancer Association is dedicated to awareness and education about colorectal cancer, support for patients and their families, and advocacy for a screening policy across Canada and particularly in Ontario, as well as timely access to treatment. Colorectal cancer is the second-biggest cancer killer in Ontario for both men and women combined, you might be surprised to hear. Approximately 7,500 people were diagnosed with colorectal cancer in Ontario in 2005, of which it's about 50-50: 3,500 were women and 4,000 were men. Sadly, 3,050, approximately half the people in Ontario who were diagnosed with the disease, died with it, again 50-50.

These numbers indicate to you, ladies and gentlemen, the equivalent of a wide-bodied jet crashing every single month of the year. You can bet that if you heard that in the news every month, especially if you knew you could prevent it, your ears would be pretty much at attention to this type of matter.

Ontario has one of the highest rates of colorectal cancer in the world, actually, with diagnosis spiking at the age of 50. Many individuals are also diagnosed with this disease at a younger age, such as I was at 40, so

that's not to say that if you're under 50, you can't get it. You can; it's just that the numbers spike.

Colorectal cancer is extremely costly to the health care system in Ontario. In 2001—and you know we're in 2006 now—it actually accounted for 100,000 hospital days. This number is increasingly rapidly, as the total number of cases of colorectal cancer has increased annually. Even though there has been a marginal percentage decline, the number of cases and treatments have increased.

Colorectal cancer is preventable if caught in the early stages. A prevention program, including a population screening with a simple, cost-effective test, has been proven to significantly reduce deaths from colorectal cancer. However, only about 6%—only 6%—of Ontarians who should be screened are getting screened for colorectal cancer every year. The probability of successfully treating colorectal cancer is as much as 90% when it's detected early, compared to just 10% with advanced-stage disease.

Incidentally, an interesting little statistic that you might not be aware of is that one in 28 people are diagnosed with the disease and one in 16 die from it. If you go back to your Legislative Assembly and you look around, just keep those numbers in your mind and you're going to know how many people are touched by it—and who don't want to talk about it, by the way.

There is actually a consensus on this among experts in Ontario, nationally and internationally on the merits of a population-based screening program for men and women 50 years and over. Recognizing this fact, the McGuinty Liberal campaign platform promised to establish such a program. However, to date, the government has not made any commitment to an organized colorectal cancer screening program. As you know, Terry Sullivan and a group of other people from Cancer Care Ontario started a pilot project which was conducted between the years 2003 and 2004, and the final recommendations are with the ministry awaiting approval. That is exactly why I am here today, because we want to ensure that this gets passed and that there is a budget for it.

Apart from the fact that we can prevent pain and suffering and the financial ruin of many families, we can save thousands of lives and millions of dollars in health care costs. The loss of productivity isn't even included in that from those individuals who are taken out of the marketplace. We can immediately address this issue and phase in an awareness and education campaign—very little cost; in fact, our association would even participate in it—and couple this with a broad-based population screening program.

As I said, the Minister of Finance of Ontario recently mentioned that, "If health care costs continue at their current rates, they will consume 100% of the government's budget by 2020." The economic burden of colorectal cancer due to an aging population, increased hospital costs, skyrocketing treatment costs, new drugs, new biologics, escalating equipment costs, coupled with the loss of productivity and a significant loss of social

capital will have a crushing economic impact in Ontario, as it will in the rest of Canada.

As cancer costs in the province of Ontario continue to rise, accumulating both direct and indirect costs related to the disease, it's estimated that the cancer burden will rise by two thirds by the year 2020.

Cancer Care Ontario has estimated the cost of managing stage 1 colorectal cancer—that's the very earliest stage that you can have—at approximately \$20,319, while the cost of managing stage 3 cancer was \$39,182. If one assumes equal distribution of cases in all stages of the disease, a crude estimate of the average lifetime cost was about \$30,000. But these amounts continue to rise dramatically with new treatments of colorectal cancer utilizing new chemotherapies which, incidentally, the government isn't even participating in at this point, and shamefully so in cases such as oxaliplatin, which is the standard of care all over the world. Patients have to pay for it out of their own pocket here. New surgical techniques extend the lives of patients, enabling even stage 4 patients like myself to survive. The cost of that treatment is going to skyrocket well over \$100,000 per person. The math isn't very difficult to figure out when you have every year another 7,500 people being diagnosed with the disease.

Due to this overwhelming amount of evidence that colorectal cancer screening will save lives and millions of dollars, there's actually a consensus among experts, all major colorectal cancer and advocacy groups, charities involved in it—everybody agrees that a province-wide, population-based organized screening program with the smallest of cost, with the smallest effectiveness, even, will save thousands of lives, and that's the fecal occult blood test. That's not even asking people to go get a colonoscopy. We're saying, "Just do a simple stool test, smear test." That's it.

People like to know about evidence-based medicine. Three randomized clinical trials have demonstrated that an FOB test performed every two years can reduce mortality by 15%. But action has lagged, despite expert recommendations and government promises, and while we debate this matter, every year each and every member of this committee has constituents who have died unnecessarily from colorectal cancer.

1410

In 1999, there was an Ontario expert panel that recommended it. In 2002, there was a national committee of colorectal cancer screening, a federal commission, that recommended it. In 2004, Cancer Care Ontario launched a pilot project, and in fact those recommendations are before the government presently. The shameful fact is that we have an unacceptable, unnecessary, preventable loss of life in Ontario, bringing on unnecessary pain and suffering and an escalating and staggering financial cost as a result of this delay.

By investing relatively small amounts of money for the creation and implementation of a province-wide screening-based program in Ontario, we will not only save lives but we will save hundreds of millions of

dollars as the program takes effect. To boot, the government committed to implementing a provincial colorectal cancer screening program in its 2003 platform. We must make good on this commitment, which has not been fulfilled to date, and it is now time to make good on this promise and do what is right; do the right thing.

In conclusion, colorectal cancer is highly preventable through regular screening and early detection. If colon polyps are detected and removed, we know that we can prevent colorectal cancer from occurring in the first place. When we hear about the escalating hospital costs—we won't even have the patients in the hospital; there won't be a cancer.

The Ontario government has the opportunity to be innovative. I know that the government is very concerned; they want to be innovative. Here is an opportunity. It will make significant changes in the health of Ontarians, including reducing colorectal cancer incidence and mortality, avoiding the tremendous pain and suffering and saving millions of dollars.

The Colorectal Cancer Association of Canada is committed to working with government for the implementation of the following recommendations: The government should immediately invest in an organized, province-wide, population-based colorectal cancer screening program with—guess what?—a small investment this year of \$5 million for the year 2006-07. With a commitment to implement and ramp up the program over five years, the annual cost of the program in five years would be approximately \$30 million. We urge you to implement this program and dedicate the necessary funds to do so immediately.

I'd be happy to take any questions, as would my colleague Mr. Butt.

The Chair: Thank you. This round of questioning begins with the official opposition. Mr. Runciman.

Mr. Runciman: There are all sorts of things I could be talking about. We have very limited time. I very much appreciate your appearance here today. As Mr. Butt knows, my executive assistant died a few months ago of colon cancer which had spread to his liver, so I was kind of fascinated with respect to the similar occurrence with you and how you were able to deal with that. Perhaps we can talk about that later.

Mr. Stein: I'd be pleased to.

Mr. Runciman: I am curious with respect to the commitment made by the current government in the last election. We're now two and a half years into the mandate. I'm just wondering what kind of feedback you are receiving from the government with respect to why they haven't kept that promise up to this point in time.

Mr. Stein: Thank you for the question. I guess that would be a good question for the Liberal Party to answer, rather than me. However, I do know that the report is before the government. They should be considering it; hopefully they are considering it. My "ins" aren't that good into government yet. However, it is always a question of what is the most effective test at the right time and how much money they can devote to it. This is

the time to act; this is the time to be innovative. They have to do it. Now, coincidentally, the timing with this budget, the timing with this hearing, is the time to decide for it to happen. So I can't answer why it hasn't happened; I can only say that I'm hopeful that because of today's session it will happen.

Mr. Runciman: I heard that one of the concerns about colonoscopies is the potential for accidents. Do you keep statistics with respect to the frequency of tearing, that sort of thing? Certainly we all hear these horror stories, which tend to intimidate us to some degree about that sort of thing.

Mr. Stein: Sure. In about 1% of cases, a colonoscopy can perforate the colon; however, in the larger centres with experienced people doing these procedures, it's much less than that.

What we are proposing isn't colonoscopy, although it would be wonderful if we had enough equipment and people and compliance, and a host of other things, and no possibility of puncturing the colon. What we're suggesting at this point is smearing the stool on paper and creating hubs throughout the province where it would be analyzed. As the technology improves—for example, what's being developed in RNA tests in Ontario—it could replace that when the costs come down. We could replace the actual test utilized once we have a program set up.

Colonoscopy is the gold standard; however, we're talking about the asymptomatic population. As soon as somebody shows a sign, they would get a colonoscopy, for sure. But this is for someone with no signs. One per cent, though.

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

Mr. Prue: Just back to terms of cost—this is the finance committee, so the terms of cost of doing the FOBT. Anyone who went in to the doctor for a yearly physical would have the test. If the test came back positive or showed some kind of sign, they would be expected to go for a colonoscopy. How much can we expect this to add to the bills of the province?

Mr. Stein: I don't have those statistics with me today. What I can tell you is that the actual cost of the fecal occult blood test is minimal; it's \$5 or so. When somebody actually goes for a colonoscopy and gets into that, we know the cost of colonoscopies; however, there is problem in Ontario with coding. They're not coding equally with OHIP every time someone goes for a colonoscopy for screening purposes, for example. So we don't have those numbers. But suffice it to say that the proposal we're talking about, which is really the recommendation of Cancer Care Ontario, would be to create hubs so we would reduce those costs.

It's not so much the cost of doing the colonoscopy and those costs at the beginning, because if you remove the polyp, you avoid all the great costs of treatment. One current example would be a new biologic costing \$50,000 per patient for treatment. So it's really a small upfront cost to pay in proportion to the potential huge cost that would follow in treating the disease at a later

stage. An interesting point is that Dr. Linda Rabeneck of Sunnybrook, in the ICES report, indicated that the vast majority of cases that are presenting are perforated or blocked colons in emergency, immediately, showing that we're not doing any screening. It's coming at a such an advanced stage and an urgent case in the vast majority of cases.

I know it's difficult to answer the exact question in terms of the cost of the colonoscopy. Suffice it to say that the upfront costs of doing this are a heck of lot cheaper than the huge costs in treating it.

The Chair: Now we'll move to the government. Mr. Wilkinson.

Mr. Wilkinson: Thank you for coming in. We're just getting into the numbers. So it's \$5 million and it would ramp up. But your proposal is that we would encourage, I guess, every Ontario resident who is 50 or over to have a test every year. Is it every year?

Mr. Stein: I would say every year, but our recommendation is every two years.

Mr. Wilkinson: So the medical community says the way to catch it is 50 and up, very similar to breast exams and mammograms and the prostate exam, the PSA test for men. It's the same kind of concept.

Mr. Stein: Absolutely.

Mr. Wilkinson: I was just taking a look at the material you have. To have this test, which I wasn't too familiar with, it takes a couple of days to have one. It says in here that you would be on a meat-free diet for a few days so you don't have any food that interferes with the test, and then for one to three days you would provide some of these smear samples.

Mr. Stein: That's correct.

Mr. Wilkinson: Would it be voluntary or would we just say to the doctors that we expect this to happen now?

Mr. Stein: I guess it would be coded in as part of the annual general examination that a doctor would do for his patients. You'd be handed a kit and expected to follow up on the return of that. We have to create hubs throughout the province in order to do the analysis of these stool smears, and then we also have to follow up, because if you get a positive, you don't just want to leave the person out there; there has to be a follow-up.

1420

Mr. Wilkinson: I would see that you'd need to have some education for the medical community and some education just for the public at large beyond just the \$5 million. And then the idea is that when it ramps up to \$30 million over five years, that is pretty well catching every 50-year-old above that age every two years. Is that the idea?

Mr. Stein: That's right.

Mr. Wilkinson: And you have some evidence on the other side of what that would save when you get emergencies that don't present, and also you might have a spike in some of your other costing: colonoscopies, follow-ups, that type of stuff. And it would take a few years—

Mr. Stein: That's why you have to ramp it up, because if everybody did it at one time, you couldn't even handle it.

Mr. Wilkinson: But you have a cost curve in the short term, in the first couple of years, and then you get your benefit thereafter because you'd be having screening.

Mr. Stein: Absolutely. Did you want to say something, Jack?

Mr. Jack Butt: Just to add to that we've also communicated with Minister Watson, the Minister of Health and Minister Duncan, offering to provide information and assistance. In addition to our presentation today, what we're saying is that you can call on us, and we are more than willing to work with you as this program is accepted and implemented in the province.

Mr. Stein: I might indicate to you that all groups—the Canadian Cancer Society, Cancer Care Ontario, every patient group and, needless to say, ourselves—everybody is on the same page on this one.

The Chair: Thank you for your presentation this afternoon.

EDUCATION EQUALITY IN ONTARIO

The Chair: I call on Education Equality in Ontario to come forward, please. Good afternoon. I think you've heard this before, but I feel compelled to tell you that you have 10 minutes for your presentation. There could be up to 10 minutes of questioning. I ask you to identify yourself for the purposes of Hansard.

Mr. Leonard Baak: My name is Leonard Baak. I'm speaking to you today on behalf of Education Equality in Ontario, a non-governmental human rights organization and education advocacy group. We seek the elimination of religious discrimination and duplication in the Ontario school system through the establishment of a single publicly-funded school system for each official language, English and French.

Ontario's divided school system was born out of 19th-century realities. Ontarians of the day could generally be categorized as being either Protestant or Roman Catholic, and neither group had much tolerance for the religious teachings of the other. The laws of the day accommodated that intolerance by allowing for the segregation of students between the public system, which incorporated Protestant religious education, and a separate system for Roman Catholics. To assuage fears of eventual assimilation into a distinctly Protestant school system, the segregation became a constitutional right for the Roman Catholic minority at the time of Confederation. Over time, increased diversity led the public school system to become secular and religiously neutral while the separate school system maintained its religious identity. The rationale for segregating our school system in the 19th century no longer exists in 21st-century Ontario. It's time to move on.

Today, the uniqueness of publicly funded school choice and additional employment opportunities for the members of a single religious minority constitutes dis-

crimination that offends the equality guarantees of the human rights instruments to which Canada is a party. Our Supreme Court has stated that denominational school rights "make it impossible to treat all Canadians equally." Non-fundamental denominational school rights render our fundamental equality rights ineffective by virtue of their constitutional status. As you are likely aware, the UN human rights committee found Canada in violation of the equality provisions of the International Covenant on Civil and Political Rights by virtue of the discrimination in the Ontario school system in November 1999. They demanded that the situation be remedied by funding all religious education equally or by funding none at all. The committee censured Canada again on November 2, 2005, for failing to "adopt steps in order to eliminate discrimination on the basis of religion in the funding of schools in Ontario."

Upon taking office in 2003, the current Ontario government eliminated public funding for all but Roman Catholic religious education, exacerbating the very discrimination they were supposed to have addressed. At the same time, however, the government brought Ontarians tantalizingly close to religious equality through no funding for religious education. Last fall, they eliminated the right of certain religious groups to religious dispute arbitration, citing the need to have "one law for all Ontarians."

An elimination of all public funding for religious education would be consistent with that goal. It would also be consistent with statements by the Minister of Education and his parliamentary assistant, Kathleen Wynne, who in November 2005 stated that they would not support further fracturing of the public system through extended public funding for religious schools. This leaves one school system as the only viable and ethical alternative.

On a recent television show, Kathleen Wynne, the parliamentary secretary to the Minister of Education, repeatedly recognized that Ontarians must eventually broach the subject of the discrimination in our school system. She indicated that this is a conversation we must have, and we agree. This discrimination offends human dignity and the notion that Ontarians are equal before and under the law.

While addressing Chinese law students on a recent trade mission to China, the Ontario Premier expressed his hopes that China would soon ratify the International Covenant on Civil and Political Rights, the very instrument we were censured for violating only days before his address. Effective and strong advocacy for human rights requires a commitment on the part of the advocate as well.

In addition to the discrimination in our school system, the duplication in our school system entails a significant opportunity cost for all Ontarians, a cost that can be measured in diminished opportunities in education, health care or any number of other important public priorities. The Ontario Public School Boards' Association has stated that "the duplication of effort involved in

governing four independent systems has extensive financial ramifications.” The provincial standing committee on public accounts has also recognized that “the fiscal burden imposed by this decision”—that is, the decision to operate multiple systems—“has not been insignificant.”

In January 2004, trustee representatives from all four of Ontario’s school systems—public and separate, English and French—submitted a legislative review report to the Minister of Education. It recognized that the lower enrolment and more dispersed schools of English separate and French public school boards represented an inherent cost disadvantage that necessitated greater grants for geographic circumstances, transportation, and administration and governance to ensure a quality of service comparable to their larger counterparts. What it did not explicitly recognize, but is easily inferred, is that even those larger boards have lower enrolment and more dispersed schools than they would have under a single public system, thus requiring higher funding for those same grants as well.

Thousands of students are currently bused past their nearest publicly funded school each day to attend another publicly funded school. Under a single school system, average bus commute distances would shrink across the province, bringing fiscal, environmental, health and lifestyle benefits to all Ontarians. Many students now bused would find themselves within walking distance of their schools under a single system.

Here’s a quote from the Toronto Star: “Last November, the Ontario Public Health Association released a report that found children riding on school buses were at risk of being exposed to more polluted air. The association recommended the province set up a healthy school bus program, aimed at reducing harmful emissions from school buses. The OPHA said 800,000 provincial children take school buses daily and that this exposure represents a significant public health concern.” I would suggest to you that shorter commutes, or no commutes at all for some students, would help address this concern.

Another cost concern arising from the duplication in our school system concerns competition between co-terminous school boards. School boards across Ontario have been dealing with the reality of declining enrolment for some years now. This has forced many boards to consider the politically unpopular option of school closings. This has also given rise to competition for student market share. Such competition often entails significant costs, such as the \$750,000 marketing campaign of the Toronto Catholic District School Board in January 2005. Competition of this sort wastes money that should be spent on education. Worse, it only succeeds in shifting one board’s declining enrolment problem onto another. This is worse than a zero-sum exercise. Where one board wins, both still lose financially.

Another consequence of the competitive rather than co-operative relationship between Ontario school boards is lost opportunities for economies of scale. In a 2000 report on collaboration between Ontario school boards,

the Education Improvement Commission found that “collaboration is one of the most effective strategies available to school boards to ensure that they are directing as much money as possible to the classroom. Nonetheless, collaboration among boards has still not become the norm in Ontario.” This report concentrated on the successes of purchasing co-operatives but noted other opportunities exist in human resources, professional development, student support services, plant operations, transportation, program delivery and a full range of business services. The elimination of overlapping jurisdictions, and with them the motivation for competition, would do much to foster such co-operation.

1430

Ontario could move towards a single publicly funded school system with or without constitutional change. Constitutional change such as denominational school rights affecting one or more, but not all, provinces can be accomplished through a bilateral amendment between the affected province and the Parliament of Canada alone. Quebec and Newfoundland both eliminated denominational school rights through such an amendment in the late 1990s. The Newfoundland amendment was proclaimed just four months after being requested by the provincial Legislature. Manitoba eliminated denominational schools unilaterally in 1890, despite a constitutional obligation to provide them virtually identical to Ontario’s.

I believe that today I have laid out for you the necessity to address the discrimination in our school system and some of the benefits of a unified school system as a remedy. I hope you will give them your serious consideration. I hope you will recommend that the government seek constitutional change to establish the primacy of fundamental equality rights over non-fundamental denominational rights. We want equality for our children and ourselves. We want to see better stewardship of the financial resources committed to the education of our children. One school system will address those concerns, and those of the UN. Unlike many of the groups who present to you—an exception this afternoon, I guess—we come, not with a cap in hand, but with a proposal to help fill those caps.

Thank you for the opportunity to speak to you today. I would be happy to take your questions.

The Chair: Thank you for the presentation. We’ll begin this round with the NDP.

Mr. Prue: Sir, this argument has been made for some time. I do know that within my own party there is considerable support for what you’re saying.

The problem though, always comes back to: those people who want to continue the system not only have the constitutional right but they’re quite adamant in maintaining it. My colleague Mr. Hudak asked the question of one of the representatives here today from the Catholic school board, who was quite adamant that he has no interest.

How do you propose to get their interest? Because I think if they saw the merits of your argument and acceded to it, this would be relatively easy.

Mr. Baak: There is something I can read you that might be relevant here. This is from the Halton region Roman Catholic board website. It's from a document I found there:

"Our continued status as part of the publicly funded education system is not only dependent on legislation ... but it is also dependent on the political commitment of the prevailing government of the day, and the political will is in no small way influenced by prevailing public opinion.

"Survey results of a Vector poll for the Canadian Opinion Coalition, conducted in June 2001, presented a very disturbing challenge to Catholic education from within. The results stated that 56% of Catholics who responded to the poll indicated that they believed a unified school system (Catholic and public) would cost less to run and save money, while 52% of the Catholics polled said that a unified board would be more accountable and provide better education."

I have no doubt that those who are really dedicated to keeping this system—and it's a fine system; I have no issues at all with the quality of the system—would fight to keep it. But my point is, I guess, what right do they have to publicly funded choice that other Ontarians don't have? I think the only way we can offer that ethically is to offer it to all without discrimination.

Ontario Catholics now make up 34% of our population; there's a new census to be taken this year. But if, as this poll says, more than half of them support a single system, then I think perhaps the opposition might be greater than people think it would be.

Mr. Prue: I went to the public school system, and one of the advantages I think I had by going to that system was that there were people in my class literally from every religious and racial background. There were Catholics, there were Jews, there were Hindus. I'm just trying to think of all the people I ended up going to public school with. That enriched me. That was an amazing thing for a kid to know about that I don't think I would have ever got had my school system been one-denominational.

What kind of arguments do you get from those who do want a one-denominational school system, be it private or separate?

Mr. Baak: I sympathize, but I think, as you mentioned, the state has an interest in fostering tolerance for other people and for other cultures. Indeed, at the UN in 1999, when the federal government was arguing on behalf of Ontario to not extend funding—because that's what other religious groups in Ontario were after too—the complainant was saying that "the state party's rationale for the discriminatory treatment of religious schools, the desire to foster multiracial and multicultural harmony through maximizing public funding for the secular school system, would actually require the withdrawal of special funding for Roman Catholic separate schools."

They tried to argue that one of the strengths of the public system is that it fosters tolerance and understanding, yet at the same time they seemed to argue that

the Catholic system was somehow outside of that argument or escaped that argument. So other faiths couldn't have it because it was contrary to this goal, but at the same time they were trying to argue that one faith should keep that.

The Chair: We'll move to the government. Mr. Wilkinson.

Mr. Wilkinson: Great. Thank you for coming. Just to help clarify this for me, the argument you propose is that all children are able to go to a publicly funded school, but there are two school systems—actually four, because you add the language part to it. So your contention has to do with the faith-based system, particularly the constitutionally protected Roman Catholic system, the separate system. Are you saying that to make it fair, to prevent discrimination, the state should pay equally for all faiths, or that it should be completely secular?

Mr. Baak: No, sir. Our presentation, and I thought it was clear in there, is for one school system.

Mr. Wilkinson: It is. I just want to get to that. So it should be one secular system, although there could be two secular systems based on language, one French and one English, depending on what numbers warrant?

Mr. Baak: We have two official languages in Canada. Undoing denominational school rights in Ontario is a relatively simple political process. The provincial government just has to ask Ottawa to initiate the process, and in Newfoundland's case we can see how fast it would happen.

Mr. Wilkinson: But in both Newfoundland and Quebec there were referenda on that.

Mr. Baak: I don't know about Quebec; they did some polling and they had the Proulx task force. But in Newfoundland they had two referendums.

Mr. Wilkinson: They had a referendum. I think Ottawa put a precondition that there would be a referendum before it acceded to the request of Newfoundland. In other words, that gave it its legitimacy. So do you see that what would be required is a referendum on that question?

Mr. Baak: That could be a tool, but we believe this is a fundamental question of human rights. It's a fundamental question of equality. Our Constitution, as our Supreme Court Justice pointed out—and I quote him in here—makes it impossible to treat Canadians equally. I wouldn't have any problem with putting this to the people of Ontario in a referendum. This is a debate we want to initiate, and we want to get going.

Mr. Wilkinson: My final question, then: If Catholic education is constitutionally protected for them as a minority—and I understand your argument about that, that it's not fair—is it your position that the majority of people in a province should, by way of referendum, be able to say that a minority right should be eliminated?

Mr. Baak: Giving special rights to minorities is, I think, probably okay ethically if that minority is disadvantaged in some way. The privileged minority, in this case, can claim no disadvantage that I'm aware of that might warrant such special treatment.

The Chair: Now we'll move to the official opposition.

Mr. Runciman: Thanks for the presentation. It's quite interesting. It's not a party position, but I have to say personally that I think, on the surface, in any event, what you're proposing here makes an awful lot of sense. I think people standing back and looking at the system in Ontario have to shake their heads when they think about the duplication and the redundancy and costs associated that could be put into the classrooms to better educate the kids in the province of Ontario.

Could you tell me a little bit about your own organization? Who funds you? What's your organization all about?

Mr. Baak: We're funded primarily by me. We get some help from other members, but I make a significant personal commitment myself. I'm hoping we'll find more donors as we start to branch out. We would like to see other groups like ourselves start in other cities in Ontario to assist in pushing for this. Our next big push is going to be to see one established in Toronto; we've got some interest down there.

1440

My organization started at my initiative. I'm a church-going Christian. I applied to the local separate school, in my neighbourhood actually, to have my kids go there for kindergarten because the local public school was so overcrowded that they were shipping kids out of town, and the separate board didn't have to do that; they weren't that overcrowded. Well, neither my wife nor I are Catholic, so practising Christian or no, we were turned away from that system and my kids ended up going to private school for two years, at considerable expense.

From the day I moved to Ontario, I thought it was unfair that they had their own system, that only one faith group had that, that it was very wasteful. But that helped mobilize me to form this group, being the victim of discrimination in that case.

Mr. Runciman: Is there any other province in Canada currently with the sort of proliferation of different school boards that Ontario certainly shoulders?

Mr. Baak: As far as I'm aware, there are constitutionally protected denominational school systems in Saskatchewan and Alberta. We've also been in contact with people in Saskatchewan. I was talking to one as recently as last night, a university professor there, who's very interested in starting a group like ours in Saskatchewan, focused on that province.

Mr. Runciman: I gather you don't have the resources to provide us with any kind of indication of what the cost savings might be by achieving this goal.

Mr. Baak: No. I don't claim to be any sort of expert in school board finances. What I've tried to provide you with is the results of my research into what the experts are saying. I think there seems to be a pretty broad consensus that this duplication isn't free.

Mr. Runciman: Thanks very much.

The Chair: Thank you for your presentation.

ST. JOSEPH'S CONTINUING CARE CENTRE

The Chair: St. Joseph's Continuing Care Centre, would you please come forward. Good afternoon.

Ms. Bonnie Ruest: Good afternoon.

The Chair: You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Ms. Ruest: I would like to welcome the members of the standing committee to Cornwall and thank you for the opportunity to present our case statement today. My name is Bonnie Ruest, and I am the executive director of St. Joseph's Continuing Care Centre, which is located in the city of Cornwall. The centre is operated by the Religious Hospitallers of St. Joseph of Cornwall, Ontario. At St. Joseph's Continuing Care Centre our vision is to be innovative leaders in quality continuing care, committed to the dignity and well-being of the community we serve. Our centre includes a 150-bed, class D long-term-care home operating as St. Joseph's Villa, located on York Street, and Hotel Dieu Hospital, a 59-bed complex continuing care facility, which currently operates at the McConnell site of the Cornwall Community Hospital.

It is important to highlight for the committee that we are embarking on a capital redevelopment project which will result in our operations moving to a brand new, state-of-the-art 209-bed facility on York Street. The new St. Joseph's Continuing Care Centre has been designed based upon a long-term-care and hospital co-location model to maximize administrative and support efficiencies while also providing an integrated continuum of care focused on individualism and the concept of enablement. The capital budget for the total project is estimated at \$33.7 million. Project funding in the amount of \$18.3 million will be provided by the Ministry of Health and Long-Term Care through both capital grants and long-term-care per diem funding.

We would like to express our gratitude to the government of Ontario for their support of this very important project. The project duration is forecast to be 32 months, with expected completion in late fall 2008. This project represents the beginning of what the government has coined "the health care renaissance" for our area and is welcome news to the entire community.

We are encouraged by many of the strategic directions the government has committed to with respect to health care, including the health transformation plan. The introduction of the hospital accountability agreement, a two-way accountability framework with a multi-year funding context, has facilitated planning for program delivery and added stability to our hospital sector.

We are also encouraged by the emerging e-health initiatives, particularly the continuing care e-health priorities and projects which aim to establish universally accepted clinical and business standards across our sector for the benefit of providers, residents and clients. With respect to the e-health initiatives, we welcome and

recognize the potential benefits for all stakeholders; however, we feel it's imperative that the government recognize the need to establish a funding framework to implement and sustain the technological changes in the long-term-care sector.

It's noteworthy that the government investment in diagnostic and medical equipment enabled us to purchase replacement equipment and retrofit our building with the necessary security systems to achieve compliance with the Ministry of Health and Long-Term Care standards.

Despite these encouraging developments, we remain deeply concerned about the challenges we are facing in the provision of care and the sustainability of our services, particularly in long-term care. One of the biggest challenges we face is the shortfall in the level of funding for direct resident care in this sector. The government made a pre-election promise to increase funding for every resident of a long-term-care facility in the province by \$6,000. That promise represented a \$450-million annual boost to base operating funding or an increase of \$16.44 per resident per day. Since that pre-election promise was made, the government has announced increases totalling \$144 million in the last two budgets for the provision of direct care and services to residents. These increases amount to \$5.25 per resident per day, far short of the promised \$16.44.

In terms of what this chronic underfunding means for our residents at St. Joseph's Villa, let me share the following statistics that have been derived from our current operating plan.

Right now, residents receive 2.3 hours of nursing and personal care over a 24-hour period. We believe that this is an unacceptable level and that we should be funded for a minimum of 3 hours per resident per day.

On average, we have one registered nurse looking after 75 residents during the daytime and one registered nurse looking after 150 residents at night.

We are expected to provide nutritionally balanced meals and snacks to our residents on a raw food budget of \$5.34 per resident per day.

On average, we have one personal support worker providing care for 10 residents at any point in time.

In addition to the funding challenges, we are faced with care need challenges. Our residents are older, frailer and in need of more complex care. Here is a snapshot of our residents at St. Joseph's Villa based on our 2005 resident level of care classification data: the average age of our residents is 86, 79% are female, almost all of our residents have multiple chronic illnesses and require special care, 84% need assistance with dressing, 85% need assistance with toileting, 60% have a mental health problem such as dementia and 100% of our residents need some form of assistance with feeding.

1450

I hope you can appreciate that the funding challenges, coupled with the level of care challenges, are really creating a crisis situation for us.

As a charitable home for the aged, our sources of revenue are limited to the per diem funding, a small

amount of preferred accommodation and charitable donations. In 2004, based on our audited annual reconciliation report, we provided 53,965 days of resident care at a total cost of \$6,429,000, which translates to a per diem cost of \$119.14. Based on these numbers, we appear to be able to manage our levels of care appropriately within our budget. What these numbers don't reveal is the fact that it was necessary for us to subsidize the cost of nursing and personal care to residents with savings from our other accommodation funding envelope.

As we plan for our new facility, our pro forma budget estimates clearly indicate that we will be required to use all of our other accommodation funding envelope to meet our long-term-care financing repayment obligations. In essence, we will no longer be able to reallocate funds from this envelope to subsidize the delivery of nursing and personal care. What we will be facing is a situation whereby we have a beautiful, state-of-the-art building but are required to decrease the already too-low level of direct resident care staffing in order to balance our budget.

Long-term care is a relatively low-cost alternative within the very expensive health care system. We continually strive to provide the best care possible while remaining within our budgeted allocation. However, the system has reached a breaking point. Our residents are the most frail and vulnerable in our society. They deserve more, and we can give more with the appropriate resources in place.

In summary, we would like to leave the committee with two key recommendations to bring forward to the Legislature, the first being that the government increase the funding to residents in long-term-care homes in the 2006-07 provincial budget by \$4,084 per resident, or \$11.19 per resident day. The second recommendation is that the government develop a framework to make required resources available to health partners to implement and sustain the technology infrastructure needed to achieve the e-health priorities.

Thank you once again for your attention today, and I'd be pleased to respond to your questions now.

The Chair: Thank you. We'll begin the questioning with the government. Mr. Arthurs.

Mr. Arthurs: I will share my question with Mr. Wilkinson. I think he probably has some as well. You've acknowledged the fact that since taking office we have made substantial improvements to long-term care. You've mentioned that we're at the breaking point, and it's taken some time to get there, obviously. Where do you see the priority needs over the next year or two if one can't achieve a \$4,000-per-resident enhancement in 2006-07? Is it in the area of personal care activity enhancements; is it the direct nursing support?

Ms. Ruest: Are you aware of the way the funding is structured in long-term care? It's delivered through a per diem and there are various envelopes. I think it should be clearly stated that the priority envelope is nursing and personal care. That's the most important envelope.

Mr. Arthurs: Thank you.

The Chair: Further questions? We'll move to the official opposition. Mr. Hudak.

Mr. Hudak: Tell me a bit about the structure of St. Joseph's: It's a charitable home, so is it a private corporation, not-for-profit?

Ms. Ruest: That's correct. It's a not-for-profit corporation.

Mr. Hudak: And the 209 D-level facilities being rebuilt under the per diem formula—this is the announcement from 2002 or so?

Ms. Ruest: In fact, the 209 beds are composed of both long-term-care beds—150 D class beds—and 59 complex continuing care beds. I might further elaborate that part of the ability for us to manage within our needs now is that we are achieving efficiencies because we share administration between long-term care and the hospital component.

Mr. Hudak: How is the expansion project or the new capital project financed? Is it with the per diem model on the long-term care side and then additional capital funding?

Ms. Ruest: Actually, there are two phases to the project; we require two approvals. It was a very interesting process, because we were dealing both with the long-term-care redevelopment office and HRIT. So in fact we did get capital grants for the hospital piece, and then the long-term care—the ministry's share—will be flowed through us through the per diem funding for 20 years.

Mr. Hudak: On the long-term-care side, when was that granted? Was that part of the long-term-care restructuring from around 2001, 2002?

Ms. Ruest: Yes. In fact, we were designated a D-class facility in 1998, so it has essentially taken this long to get to the groundbreaking point.

Mr. Hudak: Is that because the two were combined, or was there a problem raising your side of the financing?

Ms. Ruest: No, it wasn't a financing issue. There were new directions issued for Cornwall with respect to health care restructuring, and then there was some complexity around the fact that we needed the two approvals from the different branches of the Ministry of Health that prolonged the process. But we're there now.

Mr. Hudak: And you're scheduled, you think, to open up the new facility at about what time?

Ms. Ruest: The entire project is 32 months. It will be staged, so long-term-care occupancy will probably be within the next 18 months. We had to stage the project in order to prevent any temporary relocation of our residents.

Mr. Hudak: That's great. Good luck. It's nice to hear.

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

Mr. Prue: I've heard some of the statements before, but I want to get to the food component, because that's a little bit troubling to me: \$5.34 per day per person. Many of the people, as you've quite correctly said, have multiple health problems. My own mother-in-law was in

a home until she died. When I visited her, very often there were people feeding the people who lived there. A lot of the food had to be mashed or strained. There were all kinds of things that had to go on. I cannot imagine that \$5.34 is sufficient to feed a person for a day.

Ms. Ruest: The \$5.34 represents the raw food budget. The cost of preparing the food and delivering the food is over and above that. But you're right, Mr. Prue. It's a very tight budget, because the expectation from the ministry standards is: nutritionally sound; the dietitian has to be involved; it has to be well-monitored. It is a challenge even to try to stretch that \$5.34 in the purchase of raw food.

Mr. Prue: Have you got any kind of indication that you could give us of what it would cost to make it nutritionally sound, that the dietitian would do it so that it would be food that people would want to eat. There's a whole range of things that have to be asked. What is really needed to feed a person: \$6, \$7, \$8, \$9?

Ms. Ruest: There was an argument put forth a few years ago by one of the long-term-care associations that \$10 would have been adequate. That was comparable to what was being allocated to prisoners in the correctional system at the time. The argument was that prisoners actually benefited from better quality food than residents of long-term-care homes.

One of the challenges also is that, as a not-for-profit home, we don't generate a lot of preferred accommodation revenue. Some facilities have the ability to generate preferred accommodation revenue, and they use some of that revenue to subsidize their food operation. We're required to basically manage on \$5.34 a day. I would say that any increase to that amount would be welcomed by us.

The Chair: Thank you for your presentation.

Ms. Ruest: Thank you very much.

MARK MacDONALD

The Chair: Mark MacDonald, would you please come forward? Good afternoon. You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Mark MacDonald: Thank you, Mr. Chairman. My name is Mark MacDonald. I'm a councillor with the city of Cornwall, although I'm here today as an individual. I'm not representing city council. Our mayor was on earlier this morning.

Mr. Chairman and members of the committee, my background is the fire service. I spent roughly 25 years in the fire service. I retired a couple of years ago and then ran for city council and was fortunate enough to get on. What I want to speak to you about today is, I want to try to bring you a resolution to all the problems that everybody is bringing you.

I did some research, went back in the records and read some of last year's Hansard notes. I found that a lot of

the presentations were repetitive, that it all comes down to money. Everybody's after money, money, money. So what I hope to bring today to the committee, and the message that I want to bring forward to the Premier, is a message of resolution and a way to resolve the issue.

As I said, my background is the fire service. I spent the last couple of years in fire investigations, where we would go in and determine the origin and the cause of the fire. How that relates to my presentation is that it's important to focus in sometimes on the origin before you can determine the actual cause of the fire.

1500

I want to thank you for coming to Cornwall today and, if you have the chance, if you're staying in Cornwall overnight, we have a couple of new facilities in Cornwall. We have a brand new swimming pool down on the waterfront. I don't know if you're had the chance to see it or had a chance to visit there, but if you're staying in Cornwall tonight and you need something to do, I would recommend that you go and visit the swimming pool. It was just built with money from the provincial and federal governments. Right beside the swimming pool we have a brand new curling facility. We got money from the provincial and federal governments for that, as well as municipal money.

Like I said, it's all about money. I read back in some of the notes, and I read that you were in Timmins on Tuesday and then Kenora yesterday. After you leave here, you're going to be in Niagara Falls, and then Sarnia next week. The message that I wanted to bring—and how significant it is that you're in Cornwall at this time, in terms of timing—is that we just went through a federal election, and our new Prime Minister is going to be in the process of making up his new cabinet. It was extremely interesting for me to read last year's report that was tabled in the provincial Legislature, especially with regard to the dissent that was written and the participating members who were on that committee who were part of that dissent. The one name that jumped out at me was the name of Jim Flaherty. Why that's so important is that it's been bantered around or talked about that he may play a significant role in the federal cabinet, maybe even finance minister.

What was interesting in the dissent—and I just want to read one of the paragraphs, because this kind of sums it all up. It's got to do with the equalization payments that the province of Ontario gets from Ottawa. This was written last year in the dissent that was tabled in the Legislature: "Ontario and Alberta are the only provinces who currently do not receive equalization payments from the federal government. It is estimated that approximately 44% of federal revenue is generated by taxpayers in the province of Ontario. That means that under the current agreement with Ottawa and the 12 other governments, \$700 from each and every Ontario taxpayer is used to subsidize programs outside of our province." The end result is a \$23-billion gap between what Ontario pays out and what we receive in the form of government services. It was agreed by the opposition last year that

Ontario should obtain a better deal with respect to equalization and the sharing of surplus federal revenue."

Mr. Chairman, I respectfully submit that the message that I want carried forth to the Premier is that it's time that Ontario dug in its heels with regard to this issue. I know that with the makeup of the new federal government, Quebec is going to have a lot of leverage in terms of the balance of power in the House of Commons, and Quebec is going to be after a better deal, a better deal and a better deal. Well, it's time that Ontario really dug in its heels and, especially with regard to Jim Flaherty, that we hold his feet to the fire on this issue. He's the one who said last year that Ontario should be getting more. We're talking about a \$23-billion gap. I think that in terms of bringing that message forward, we have a prime opportunity to do that. With that, Mr. Chairman, I've made my presentation.

The Chair: Thank you. We'll begin the questioning with the official opposition. Mr. Hudak.

Mr. Hudak: Thank you very much, Mr. MacDonald. You're right; thank God there's change. We've got a good guy like Flaherty in there fighting for the province of Ontario. Another former colleague, John Baird, as well, whom I think you probably know, will be a strong advocate for the province of Ontario. Marilyn Churley was another member who left the assembly. Unfortunately, she didn't win, but she was one that we had great admiration for, and would have made a great MP herself.

I think there's no doubt that the imbalance between the taxing authority and the program delivery responsibilities that the federal level has, compared to the provinces, has created this imbalance right across Canada, right? We have health care and education, two of the major growth areas. When you see the federal government reaching into areas of provincial jurisdiction, it's problematic. I'd much rather see that money transferred to the provinces to address the issues rather than them coming into what has traditionally been—and is constitutionally—provincial territory.

The one thing that I think we need to do at the same time, though, is make sure Ontario is strong. I don't like the notion of the beggar-thy-neighbour stuff. When Alberta was doing quite well, Dalton McGuinty seemed to have a bit of envy for Alberta and wanted to sort of take their money away; at least, that was the impression I received. I do like the notion of Ontario's being the lead province still and having a view towards helping out all of Canada. So at the same time we address the fiscal imbalance, it's important for us to make sure Ontario is strong and contributing. I don't think any of us want to see Ontario become a have-not province and take money from other provinces. Would you agree with that point of thought?

Mr. MacDonald: I'd agree.

Mr. Hudak: Any ideas on what we can do to make sure Ontario's place in Confederation stays strong? How do we make sure our economy is producing jobs—manufacturing jobs, like we used to—instead of seeing places like Domtar close here in Cornwall?

Mr. MacDonald: Right. There's no doubt that we've been hit hard in Cornwall.

You make the comment about Ontario being strong. The way I understand the federal agreement is that the strong provinces pay for the—I think you used the term “have-not province.” It's been viewed that Ontario is a have province and that we share with the have-not provinces. But with all the strain that our services are under, and that really came to light in terms of—on municipal council I see all the demand. You must hear it a thousand times over in every municipality you go into: “We need more money for paramedics. We need more money for land ambulance. We need more money for social housing, social services.” I think the idea would be, in answer to your question, for us to keep more money in Ontario, because we're slowly becoming a have-not province, in my opinion.

The Chair: Thank you. Now we'll move to Mr. Prue of the NDP.

Mr. Prue: There are at least two ways the federal government can devolve money down to the provinces. One is the old way, by giving grants or monies. The second has only been done once, to my knowledge, back in the Trudeau era: the transfer of tax points. It's pretty simple: Taxes go down in Ottawa, and they go up in each of the provinces a corresponding amount. Which one do you think would be best for Ontario: the transfer of tax points or enhanced grants?

Mr. MacDonald: On the surface, without doing a lot of research into the background, the second option sounds more appropriate, in my opinion, because it would be long-term rather than just a cash injection.

Mr. Prue: Good. I like that. All right. Good answer.

There is the continuing problem, though, of the imbalance, and all three parties in Ontario think there is an imbalance. Some of us quibble over whether it's \$16 billion or \$23 billion, but there's no question there's an imbalance. There's an imbalance between the cities and the province as well. The city of Toronto says there's an imbalance of \$3 billion, and they want the province to come across with some or all of that \$3 billion. I'm sure Mississauga and London and Ottawa will probably also be able to do a calculation. Where does this stop?

Mr. MacDonald: You raise a very good point. I think that the only way to move any issue forward at any level, whether it's at the municipal level, the provincial level or the federal level, is to have an all-party agreement, as you said. All parties have to agree, and in my opinion this is an issue where all parties could agree. All parties, as you stated, can get together and say that this is an issue that we should move forward on. So where does it stop? I think that it has to stop. Ontario and our Premier and all parties have to take a real, firm, strong stand on this and say that it's time that Ontario really dug in its heels in this regard. And the only way to do that is to have an all-party agreement.

The Chair: Thank you. Now we'll move to the government. Mr. Wilkinson.

Mr. Wilkinson: Thanks for coming, Mark. I think you've hit the nail right on the head. Just for a little bit of

background. First, the resolution of the Premier to address this imbalance is something that has been supported by all three parties, and we appreciate that. The second thing is that the issue of the gap of \$23 billion was brought forward by the Premier and made an issue last year. I don't think Mr. Flaherty was in dissent with the committee about the need to address the fiscal imbalance, so I think we have unanimity there. The really interesting thing is that about 10 years ago that imbalance was \$2 billion and now it's \$23 billion.

1510

What the Premier has been very clear about is the need to have a strong Ontario within a strong Canada. We are not saying that the provinces that are receiving equalization should receive less. What we're saying is that the federal government has more money than it knows how to spend, that it actually has more fiscal capacity than responsibility. During this period of time, the federal government has been able to pay down the national debt while we are running deficits, and we're the people who have the cost drivers. The feds downloaded their responsibility in regard to escalating health care to us and, in turn, the previous government downloaded responsibilities to municipalities.

You're right: The new fiscal balance that has to be achieved has to be at all three levels of government. AMO has its position about what has been downloaded to them. We've heard about it. I think you've hit the nail right on the head about how there has to be a new deal in Canada that makes sure that Ontario does remain strong so we can provide the funding to make sure that there's equity across this great country of ours, that it isn't just a “me first, my province first” attitude. There has to be a new rationalization. People are paying enough taxes; it's that the taxes aren't going to where the demand is, and that's where the problem is.

I think we do have a great deal of political agreement in this province. I appreciate the fact that you've come here in your capacity at the municipal level. I'm sure Mr. Flaherty and Mr. Baird, and perhaps even Mr. Clement if he makes his recount, are all going to be looking at Ontario's situation. I know Prime Minister-elect Harper has been on the record about dealing with the fiscal imbalance.

The Chair: We'll let you have a chance for a response.

Mr. MacDonald: Two things: One is that I want to correct—I was reading from the dissent. I didn't know whether he dissented or not, but I was reading from the dissent.

The second thing is, it was interesting to watch Stephen Harper's first news conference. He has priorities he wants to talk about. He wants to talk about the fiscal imbalance. My point, in summary, is this: I think it's an issue that as Ontarians we can all agree on; it doesn't matter what political stripe you are. And the timing might be right for us, especially with Jim Flaherty sitting on this committee last year as a participating member. We would have some leverage there to use, is my point.

The Chair: Thank you for your presentation.

ONTARIO SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS

The Chair: I call on the Ontario Society for the Prevention of Cruelty to Animals to please come forward. Good afternoon.

Ms. Judy Marshall: Good afternoon.

The Chair: I believe you know the ground rules here. You have 10 minutes for your presentation, and there could be up to 10 minutes of questioning. Please identify yourself for Hansard.

Ms. Marshall: Thank you very much for allowing us to present to you this afternoon. My name is Judy Marshall. I'm the chief executive officer for the Ontario SPCA. Mike Draper is with me. Mike is the chief inspector for the province of Ontario.

Just a little background on who we are: The Ontario SPCA is a non-profit charitable organization dedicated to the protection and welfare of all animals. Some people don't realize that we're involved with more than dogs and cats; it's birds, bats, rats and raccoons, dogs, deer—the whole gamut of animals in Ontario.

The Ontario SPCA has 27 branches across the province, one of which is in the community here in Cornwall. We also have 31 affiliated humane organizations. Those organizations also call themselves SPCAs. Our branches as well as our affiliates provide care and shelter to tens of thousands of animals every year.

The Ontario SPCA is mandated under the Ontario Society for the Prevention of Cruelty to Animals Act to enforce animal cruelty laws. Under the act, society investigators have police powers to enforce the act. We are also a named agency in the new Dog Owners' Liability Act, the pit bull legislation. We are called in by government ministries on a regular basis to perform services for the province, and these are unfunded services related to OMAFRA and the MNR.

The Ontario SPCA does not receive any government funding to operate our day-to-day programs or operations or our investigation mandate. We rely on charitable donations and fundraising to fulfill these mandates. One of the issues is that this funding is not consistent. We'll have a good year, we'll have a bad year, and it makes it very difficult to do any long-term planning or to make any plans to do capital upgrades across our shelters in Ontario. We're constantly in a financial crisis, always attempting to make plans for the future but never able to fulfill those.

In the past five years, the number of animals rescued by the Ontario SPCA has more than doubled. The number of animal cruelty charges laid by the society and its affiliated humane societies under the Criminal Code of Canada and provincial legislation has increased seven-fold. That means that 3,095 animals were rescued in 2000, compared to 7,267 animals in 2004. Ninety-seven charges were laid in 2000, compared to 695 charges in 2004. The number of search warrants executed has more than quadrupled, and the number of orders issued has almost tripled.

Pit bull legislation has caused an increase in our workload. Animal care and protection costs have increased as a result of increasing activity in the investigations department. In 2001, animal care and protection expenditures were \$6.4 million and \$8.1 million in 2004, which is a 26.4% increase in costs, again funded mainly by fundraising. We've had to actually compete with, as you know, some of the international crises that have occurred.

The control of this expenditure is restricted by the Ontario SPCA act, in that it is the position of the Ontario SPCA that all legitimate situations involving animal welfare must be investigated, and if removal and care of animals is warranted, the Ontario SPCA must provide that service.

The Ontario SPCA services rural Ontario, which does not have the population base to support the full cost of animal care and protection in these areas. The Ontario SPCA facilities located across the province have massive capital demands. We have no capital reserves. The service demands in rural Ontario are becoming more demanding. There are economic farm factors, including BSE and a regional shortage of hay, that have led to a marked increase in farm and equine neglect.

The Ontario SPCA is not in a position to financially support the operations of each branch and affiliate. We have a plan in place, and currently that plan includes to shut down and sell some shelters in northern and eastern Ontario. We will devolve many functions to the OPP. The OPP does not have the resources, the capacity or the training to provide these services currently. We will devolve shelter services to relevant municipalities.

Following the provision of one-time emergency funding to the society, the McGuinty government commissioned an independent review of the agency and its business. That report was called the Grant Thornton report. The recommendations that came from this report were quite clear:

—The government must provide interim funding to facilitate the stable operations of the Ontario SPCA and its branches until a long-term strategy for animal welfare could be developed.

—The government must lead the development of this long-term strategy for the provision of animal welfare services.

—It recommended that this strategy should consider a review of the legislative and governance structure.

—It recommended the development and consideration of a capital funding plan by government, including building renewal and new technology.

The government received this report in February 2005, but the Ontario SPCA did not see a copy of this report until late July 2005.

1520

Since the release of the Grant Thornton report, the society has moved very quickly to adopt any of the recommendations that were in its control, which include accounting systems updates, review of legacy donations and improved internal controls. We've implemented those across the province.

What is really disappointing is that the government has not moved, on its part, to advance the work of this report. Despite being told for months that a strategy was being developed by the Ministry of Community Safety and Correctional Services, it has finally been confirmed that no strategy exists. The Ontario SPCA was invited to propose ideas to find new financial stability, and at Minister Kwinter's direction, the ministry was to take that lead. After several months, there was no progress, and it has been confirmed that the ideas will not be advanced.

The Ontario SPCA has been clear that it is critical to the current organization and to the future of the organization that both legislative and governance review is needed to proceed, as is the requested modest financial help for facilitation. MCSCS has indicated that there is no money available to assist and has been a roadblock to progress in this respect. Their indication of interest is critical to making this process, to move it forward and make it considered by this review. The government has never responded formally to the recommendations in the Grant Thornton report and its very clear suggestions as to how the government ought to be supporting animal welfare in the province.

Our concern is that the cuts and closures to Ontario SPCA services and facilities have a very short-term impact on cash flow but they have a very long-term negative impact on the ability to fundraise in the affected communities. We've definitely seen that when there is a closure, the ability to fundraise does go down.

Withdrawal of Ontario SPCA services means that police services and local municipalities have to provide the necessary services. This is not cost-effective. It is estimated that the cost to police would be approximately \$30 million annually, with additional start-up costs of approximately \$10 million to \$20 million. These projections are based on public information about police costs and on our actual animal welfare-related statistics. Municipalities are unwilling to take on the burden of other unwanted animals such as cats, rodents etc.

All of the cuts and closures would be made without the benefit of a provincial long-term strategy for animal welfare. What we're thinking is that we're closing something but how is that going to impact the rest of the province? How is that going to impact the animals in the province? The Grant Thornton report really did say, "Let's look at animal welfare from a provincial perspective." We've really endorsed that step and have acknowledged it as a necessary step by the government. We also see it as being very practical to establish some interim funding to allow the organization to do additional internal reviews and allow the government to consider a more relevant legislative framework and ensure that services are maintained by an animal welfare agency instead of police services.

Our hope is really a partnership with the Ontario government. We're hopeful that the government of Ontario will act on the recommendations of the Grant Thornton report as soon as it is practical. Interim funding

can assist with keeping the facilities open and operating in local communities and will allow the Ontario SPCA the breathing room it needs to reinvent and rejuvenate itself.

We urge the government to provide interim financial funding for the Ontario SPCA and its affiliated organizations, conduct a legislative and governance review of the Ontario SPCA, and support a legislative package that was presented by Mike Colle, actually—I believe it was in 2002—that would be an interim step in giving the Ontario SPCA the legal and financial tools that it needs to advance animal welfare. Thank you very much.

The Chair: Thank you for the presentation. We'll begin the questioning with the NDP.

Mr. Prue: Thank you very much for the presentation. We had a similar presentation yesterday.

Ms. Marshall: Yes, by one of our affiliated organizations.

Mr. Prue: The question I'd like to ask today is about turning over animal welfare to municipalities. Most of the municipalities are in pretty bad financial condition. Have they indicated to you whether they're willing, or do they have any choice?

Ms. Marshall: They won't have a lot of choice, but maybe Mike can help with that a little bit.

Mr. Michael Draper: Certainly the municipalities we approached are not interested in taking over animal welfare. They've seen additional costs related to their enforcement of the Dog Owners' Liability Act recently, and they're not interested in taking over this enormous task of animal welfare.

Many smaller municipalities only run dog-control services, essentially, so they provide shelter for stray dogs. We, of course, provide sheltering and cruelty investigations for a range of animals. I couldn't see a small municipality in the north, where we had an abandoned zoo, for example, want to take over the responsibility of caring for those 65 zoo animals. So no, most municipalities do not want to get into the animal welfare business.

Ms. Marshall: Nor do they want to get into the cost effected by looking after those 65 zoo animals.

Mr. Prue: But if you walk away, do they have an obligation to do it or not, or would there just be none?

Mr. Draper: They don't have an obligation. It would simply be if they passed new municipal bylaws to try to address certain issues. Many areas could be left without any service whatsoever, shelter-wise.

Mr. Prue: In terms of the police, is that pretty much the same? I don't know whether police do any kind of animal control anywhere in the province, and I don't know that they're equipped to do it.

Mr. Draper: Our concern is the police—we can enforce the criminal law related to cruelty to animals and so can the police. Our statistics are that the OPP currently do about 800 cases in the province, where we do 16,000. There certainly would be a significant increase in the police investigating cruelty, although their officers aren't trained to investigate cruelty and neglect, they don't have

the adequate equipment and the question remains of where they would put the animals, as well. They have other policing needs and roles, and we want them to catch burglars and pedophiles and everybody else. They don't see their role as investigating cruelty or neglect, really.

Mr. Prue: In terms of the pit bull legislation, because I'm sure you're going to get asked this question a lot, how many times have you been called to enforce the pit bull legislation since it became law? It was only a month or two ago.

Mr. Draper: I can't give you numbers, but we see a lot of pit bulls in our shelters, so in one way, we're dealing with the pit bull legislation daily. One example of when we were called by the police to enforce the pit bull legislation recently was when we were called to a drug operation that turned out to also be an organized dog-fighting operation. We had to seize 42 pit bulls from the scene. They were being trained to fight, which is an offence now under the Dog Owners' Liability Act, so we had to take 42 pit bulls into custody and hold them for a period of time. It was quite a complex operation and very costly to the society.

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

Mr. Wilkinson: Mr. Prue was right: We did have your affiliate in Timmins talk to us yesterday. To help me on this file, you're providing coverage right across the province? You just have the 31 branches, I was seeing.

Ms. Marshall: There are 27 branches and 31 affiliated organizations.

Mr. Wilkinson: That's right. Does that cover the whole province?

Ms. Marshall: No.

Mr. Wilkinson: In those places where there are gaps, where does that fall? Does it kind of devolve to the municipality and the local police?

Mr. Draper: Yes. The areas we don't service are the far north, quite honestly. Those areas go uncovered, absolutely. Sometimes we do respond, upon police request, to those northern areas. For example, on the request of government, we stepped in to Kashechewan and provided emergency feeding for dogs. There were 100 dogs left behind when the people evacuated. We are called into those northern areas on a regular basis by the police, but we can't, simply because we don't have the dollars, service those on a day-to-day basis.

1530

Mr. Wilkinson: I can tell you that when this came to a head—financially you had that crisis just over a year ago—Minister Kwinter was as solid as I've ever seen him in regard—

Ms. Marshall: He's phenomenal.

Mr. Wilkinson: —to making sure that you had that funding and to try to get to something more sustainable. I under your frustration because the cogs of government can move pretty slowly sometimes. On the other hand, you have to try to get it right. So you're in a position where some of the \$1.8 million has flowed to you already

and there is still some holdback on that. You had a meeting with the minister, I think, in September, in the fall.

Mr. Draper: We've actually received the full \$1.8 million. Part of it was to fund our 2004 operations, and part of it was to fund our January to March 2005 operations.

Mr. Wilkinson: One of those issues is the legacy and the accounting of that and making sure that you stay viable so that continues. You don't want to have a negative story, because then that fundraising would dry up.

Mr. Draper: The audit report did talk about why we can't spend some of our legacy revenue. That's because it's donated directly to a specific cause, for example, building an animal shelter in Brantford. We can't then go and spend that money in Kenora.

Mr. Wilkinson: Even if you have one.

Mr. Draper: That's right. I don't think the auditors recognized that, and you'll see that in the report. But we then provided the government with a legal opinion and explanation for that.

Mr. Wilkinson: Could we actually change that legislation?

Ms. Marshall: No, I don't think you can.

Mr. Draper: That would be the Charities Accounting Act and some other things that you would have to modify. That would affect a number of charities.

Mr. Wilkinson: Thanks for the work you're doing.

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

Mr. Runciman: I'll just quickly cite a few questions since we don't have a lot of time here. I saw a government document several months ago that indicated there is consideration—I'm not sure if this is part of the Thornton report or not—to transfer responsibility for your legislation to the Ministry of Agriculture. I'd like to hear your response to that.

One of your suggestions indicates that you were deliberately misled by someone within the ministry with respect to the development of a strategy. I'm curious, and I think the committee should want to know, who did that and what you believe is the reason behind it.

Also, you mention in here—and this is a specific concern of mine—the eastern Ontario closures. Where do you see those closures occurring, and what kind of timeline are you talking about?

Mr. Draper: To answer your first question, being transferred to OMAF, we felt it was better to remain within the Ministry of Community Safety and Correctional Services because of our policing role and our close relationship with the OPP. As well, it would maintain our independence and objectivity.

Mr. Runciman: So that's not under any consideration?

Mr. Draper: My understanding after meeting with the government is that it's not; that it wasn't under any further consideration to be transferred to OMAF.

I'll answer your question about closures, and then I'll pass it to Judy to answer your other question. We are closing our Napanee facility on March 31. That's the closure in eastern Ontario. We're quite concerned with

that. It will affect not only Napanee but the surrounding counties: Northumberland and Quinte. It's very concerning. We'll be devolving the entire operation to the police and the municipality to take over if they may. It will certainly put a strain on resources for the municipality as well as the police services.

Ms. Marshall: We've announced that that closure is effective on March 31.

Mr. Runciman: The question about being misled by ministry officials?

Ms. Marshall: To answer that politically correctly, I guess, they haven't fulfilled their promises to us. We have it in writing that we were going to be involved in a long-term strategy. That hasn't happened. In the initial meeting that we had with the government, it was, "This is the start of a long-term strategy," and that was getting towards the end of July. We have not been involved in that strategy, and any ideas that we've presented are not going to result in any income that can really carry us forward.

The Chair: Thank you for your presentation.

BARRY MILLETT

JOHN POLAK

The Chair: I call on Barry Millett and John Polak to come forward, please. Good afternoon, gentlemen. You have 10 minutes for your presentation. There may be up to 10 minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Barry Millett: Thank you very much. My name is Barry Millett. I'm a resident of Summerstown. My colleague and friend is John Polak, a resident of Morrisburg. We're not affiliated with any group; we're here not only to say we're not asking for money but actually to give you an opportunity to make some money as well as accomplish some other worthwhile things.

A statement of some facts: Ontario is in need of more electricity. This area and others have lost jobs and, you've heard many times today, in SD&G some 2,500 jobs in the last year. Municipalities are cash-strapped, and you've heard that from a number of proposals today. Provincial funds are limited, we understand that, and we all produce garbage, which is a cost to both municipalities and the province. The environment is all of our responsibility, and we believe Ontario can extract some value from this waste. We've all been trained in the three Rs: reduce, reuse and recycle. We think that there should be two more Rs added to these: One is "rethink," and the last one would be "recover."

Gasification facilities can generate jobs, and they can generate these jobs immediately. Gasification facilities can be built in large or small communities. Gasification is not new. Some facilities were built as long as 75 years ago, and they're still operating. This technology is improving every year. Some emissions are now equal to those of natural gas. Ontario universities and colleges

could perform research to improve this technology. Operating units, once paid for, are returning 23% yearly. Revenue comes from selling the electricity into the grid, selling gypsum for wallboard, selling the captured gases, selling nitrogen for fertilizer, selling heat for buildings, hospitals or even greenhouses. The reduced costs of managing landfill sites is also a revenue. This revenue could be directed to municipalities or shared with the province, or handed to private enterprise, if that was applicable.

The benefits of gasification: reduced garbage disposal issues—NIMBY. I believe we have some politicians in the room, and I would suggest to all of you that new landfill sites are political landmines for each and every one of you.

Minimal landfill use: We've been doing landfill since the first time there were six people living together in a cave. We've got to find a better way.

Recycling is part of this plan; a cleaner environment is much better than landfill. Electrical generation comes on stream very quickly. Opportunity to take the lead in the technology exists for the province of Ontario. Some of the benefits from small facilities—I think many times today you've all heard how people would like to see services delivered closer to the user. There are a number of benefits that come from facilities like this. The economic benefit is spread throughout the province, so these facilities can be located where they would do the most good and be most beneficial. A number of small facilities can provide better access for research. If one is shut down while something is being tested or corrected, you're not turning down 10% or 20% of the province's generation capacity.

Pelletizing or complete processing technology versions are possible. Improvements can be perfected in one facility before being adopted as the best method. Ontario would have control of our own waste problem.

Benefits from small facilities, continued: We'd create jobs throughout the province. It could be financed by local municipalities or private enterprise, with incentives from the province and the federal government, so we could have P3 versions of that, if that makes the greatest sense. Create permanent jobs, many of them technical jobs; local community colleges could have access for training; ancillary economic benefits developed from the by-products. This will reduce trucking of garbage, which is an additional environmental benefit, and provide an element of competition to ensure efficiency.

1540

The financial outline is fairly simple. You can build a unit or facility that would handle fewer people. By going to the number of 400,000 to 500,000, that's where you reach a good level of efficiency; 80 to 90 trucks a day, five days a week. The time to build this facility and have it running would be 12 to 18 months after all approvals have been received.

The capital cost of a pelletization plant is \$50 million; a gasification plant, \$130 million; total capital cost, \$180

million. The annual municipal solid waste processed would be 200,000 tonnes.

The revenue streams would be as follows: from electricity, \$31 million; steam, \$3 million; tipping fees, \$14 million; CO₂ offsets, \$5 million; total annual revenue, \$53 million. I told you we were going to get you some money, right?

Costs: labour and operating, \$20 million; fees, royalties etc., \$8 million. Total annual costs: \$28 million. Profit: \$25 million.

Financing: If we assume a 70-30 debt-to-equity ratio, the debt would equal \$126 million; equity, \$54 million. Debt repayment per year at 8% would be \$12 million over 15 years. Return on equity investment would be \$13 million.

Conclusions:

—Municipal solid waste is a resource.

—Municipal solid waste is an immediate source of energy.

—Energy from waste plants creates jobs.

—Energy from waste plants can create tax revenues for municipalities and the province.

—Financing can be through debt and equity, not necessarily through public grants.

—Environmental benefits are significant.

Thank you very much for your time and attention. Questions?

The Chair: Thank you for the presentation. We'll begin the questioning with the government. Mr. Wilkinson.

Mr. Wilkinson: Thanks for coming in. One of the hats I wear is parliamentary assistant to the Minister of the Environment, so I just want to ask you a couple of questions on this, about the environmental benefits.

First of all, I know you have the NIMBY about people in the backyard of the landfill, but you would also have a similar effect with people who felt that they were downwind of this. Initially at least, I think there would be people concerned about that. There are many people who are concerned that what you're putting back up in the air is more CO₂, and as well that you're not able to capture some of the chemicals and minerals that would be put up into the air. I've seen the proposals on pelletization to increase the combustion temperature, and gasification. Are you confident that you'd be able to get the required certificates of approval from the Ministry of the Environment and go through the environmental assessment process that will allow you to be permitted to do this?

Mr. Millett: I'm going to let Mr. Polak answer it.

Mr. Wilkinson: It's a technical question.

Mr. Millett: Yes. He has many years' experience in the environmental industry around the world and I think can answer it far more accurately than I can.

Mr. John Polak: It's a complex issue, as you correctly point out, but gasification allows you to do an awful lot of scrubbing and cleaning before you ever get to the stage of combustion and release.

In terms of the issue of CO₂, a global warming gas, you really need to look at what this is replacing. What

you're replacing if you're burning coal is things like mercury and benzenes and sulphur going into the air. That won't happen with this gas. It's virtually pure methane by the time you're done—natural gas.

The second thing is, if you put it in landfill sites, as we have been doing for a century or so, you're going to produce methane, and that has a 21-times multiplier effect, from a greenhouse gas potential.

So on balance, I think it's a good solution. It's not a new solution. You can go to many cities in Europe and you'll see these places operating downtown, and some of them even without gasification—mind you, a very different population density.

Mr. Wilkinson: And you need to source-separate your feedstock going into this before you pelletize it. That's part of what you have to do, I think.

Mr. Polak: Clearly, you want to recycle as much as you can before you get to that stage.

Mr. Wilkinson: Yes, you get batteries and all these things. You don't want any of that.

Mr. Polak: Absolutely. Keep in mind we're not affiliated with a company that's proposing to do this. We're proposing a concept.

Mr. Wilkinson: But they would have to go through the whole environmental assessment process.

Mr. Polak: Absolutely.

Mr. Millett: Just to complete: You would need to go through an environmental process. But if you were looking at building three, four or five smaller plants throughout the province when you went through the investigation for one such plant, that same day it would be available and accurate at all of the others as well.

Mr. Wilkinson: I know the ministry is developing guidelines or rules in that regard. In regard to gasification, there is a regulatory area where there isn't really any clear direction from the ministry, and they're engaged in that. Our minister has asked our people to do that. So that work is being done as we speak.

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

Mr. Hudak: Thank you very much, Barry and John, for the very interesting presentation. I know our leader, John Tory, has spoken quite a bit about this topic of trying to turn waste into electricity, which helps on the environmental side and helps on the electricity side, as you've both said.

Just a quick question—you know more about this, obviously, that I would. This is common in Europe, but it's actually quite rare here in Ontario. Do we have approval problems? Do we have a prejudice in government against these projects? How come some countries are so far ahead of Ontario?

Mr. Millett: I think the difficulty is that we haven't learned to rethink the fourth R that I suggested. It's not only common in Europe; it's very common in the United States, or becoming more common. There is a plant, I believe, going in in Red Deer. So my thought is that it may have gotten labelled with incineration at some time in the past, and incineration is a four-letter word. That's the reason I was very careful to use the word

“gasification,” because that is a totally different kind of process.

Mr. Polak: If I can just add on to that: Population densities in Europe are very different from what they are here in Canada. Landfill has been a very cheap, easy solution, and I think it’s only recently, in the last 20 years, that we’ve begun to realize the longer-term problems with landfill sites. We may in fact want to go back and remine them at some point and do something more useful with them than just letting them biodegrade. There’s also the NIMBY syndrome. It’s a technology that has become more common in Europe because of infrastructure issues and public reaction issues.

Mr. Hudak: What I’m just trying to understand is—because landfill has been a cheaper option, historically—is this a price issue or an environmental issue, or is it both?

Mr. Polak: Landfills tend not to affect the individual very much in the pocketbook. Also, electricity has been largely owned by public utilities in Canada. It has not been a private sector enterprise; in fact, it’s only recently that—I can’t call it deregulation of the markets, because the markets are still highly regulated, but there’s a demonopolization of the marketplace taking place all across North America and the price of electricity is going up.

What I find curious is that people are very happy to cap a landfill site and tap off the methane and sell that as green power, but they’re still uncomfortable with allowing a technical process to process the garbage more quickly, capturing 98% of it instead of only 30%.

The Chair: We’ll move to Mr. Prue of the NDP.

Mr. Prue: The city of Ottawa is coming pretty close to doing a variation on this but they’re using plasma technology. My discussions with the mayor and a few people in Ottawa is that this is an even better variation on ordinary gasification. Any comment?

Mr. Polak: It’s still gasification. The only distinction is the method with which you generate the gasification process. It’s a plasma arc as opposed to simply heating. We didn’t distinguish in our conversation about whether we promote one or the other; we just think the concept of gasification is a good one.

Mr. Prue: So you would think that that’s an equally good concept, because it’s a heated—

Mr. Polak: It works.

Mr. Prue: It’s heated probably hotter than the surface of the sun—a plasma arc.

Mr. Polak: Yes. Mind you, it’s a high energy user as well. I haven’t looked at the economics of both, to be honest.

Mr. Prue: The city Ottawa is also building this gasification plasma arc on a landfill site. Their plan is, if

there isn’t enough garbage, to mine it. Is this also an option for any old waste site?

Mr. Millett: Yes. In fact, John said that. We understand that there are places in Europe that actually buy garbage to keep their facility running.

Mr. Prue: That’s another problem: A lot of environmentalists have said we shouldn’t gasify, burn or put the garbage like this because it will only cause us to produce more waste—there are many, many people, and they’re right. When you look at overpackaging and all the other things that go on in North America, you don’t need it, and it only ends up in the landfill. Are they correct when they say that to build gasification or plasma arc or any other technology only encourages people to produce more waste?

Mr. Millett: I think that that can be contended with in a variety of ways. Right now we’ve got such a waste problem that we have a long, long way to go before we’d be anywhere close to that. One of the comments I’ve heard as well is that it doesn’t encourage recycling, which is not correct. So at some point you might say, “We’ll stop building these plants.” I didn’t suggest that you build one on every street corner; I said you build a few around the province and really understand the technology. Then, at some point you would stop building them. If you didn’t need any more, you could mine old landfill sites.

Mr. Polak: Also, keep in mind that this is not a panacea; this is not going to solve all the problems. Barry talked about the three R’s: reduce, reuse, recycle. That’s in fact a hierarchy: You should begin with reducing if you’re going to do anything at all. Then, as you move down the hierarchy, recovery is probably the bottom of it. If you can’t do anything else useful with the resource, then recover it and use it for some other energy purpose.

I take your point but I think that’s a—

Mr. Prue: I’m not trying to make the point. I’m just playing devil’s advocate because this is the kind of argument I’m going to get.

Mr. Polak: But the argument is a bit of a mug’s game. That’s the problem. Should it stop you from doing something good is the real, fundamental question. I think the answer is no, but it’s a question of priority.

The Chair: Thank you for your presentation before the committee.

Mr. Millett: I’d like to thank the committee for coming and for their attention. It’s concerning when you’re the last presenter in the day.

The Chair: You’re quite right. That concludes our hearings in Cornwall. We are adjourned.

The committee adjourned at 1552.

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CONTENTS

Friday 27 January 2006

Pre-budget consultations	F-155
City of Cornwall	F-155
Mr. Phil Poirier	
Mr. David Dick	
Mr. Paul Fitzpatrick	
Mr. Paul Connolly	F-158
Ontario Secondary School Teachers' Federation, district 26.....	F-160
Ms. Dina van den Hanenberg	
Queen's University.....	F-163
Ms. Karen Hitchcock	
Ontario Federation of Anglers and Hunters	F-166
Mr. Greg Farrant	
Mr. Andy Houser	
Stormont, Dundas and Glengarry Legal Clinic	F-170
Mr. Etienne Saint-Aubin	
Ms. Bernadette Clement	
Mr. Arden Schneckenburger	F-172
Mr. Chris Savard	F-175
Ms. Diane Thompson	F-178
Catholic District School Board of Eastern Ontario	F-180
Mr. Ron Eamer	
Ms. Bonnie Norton	
Cornwall Community Hospital.....	F-183
Ms. Jeanette Despatie	
Mr. Nick Vlacholias	
Passive Hydroelectric Generation	F-186
Mr. Michael Johnson	
Colorectal Cancer Association of Canada.....	F-188
Mr. Barry Stein	
Mr. Jack Butt	
Education Equality in Ontario	F-192
Mr. Leonard Baak	
St. Joseph's Continuing Care Centre	F-195
Ms. Bonnie Ruest	
Mr. Mark MacDonald.....	F-197
Ontario Society for the Prevention of Cruelty to Animals	F-200
Ms. Judy Marshall	
Mr. Michael Draper	
Mr. Barry Millett, Mr. John Polak	F-203