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Monday 22 January 2007

**Standing committee on
finance and economic affairs**

Pre-budget consultations

Journal des débats (Hansard)

Lundi 22 janvier 2007

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: Douglas Arnott

Président : Pat Hoy
Greffier : Douglas Arnott

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Monday 22 January 2007

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Lundi 22 janvier 2007

The committee met at 0906 in Holiday Inn Select, Windsor.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. Good morning, everyone. The committee is indeed pleased to be in Windsor this morning.

CAPITOL THEATRE AND ARTS CENTRE

The Chair: Our first presentation will be by the Capitol Theatre and Arts Centre, if you would please come forward. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Thomas Lynd: My name is Tom Lynd. I am the first vice-president and the volunteer acting general manager of the facility. For your information, the Capitol Theatre is an approximately 90-year-old historical building in the city of Windsor and is operated by a non-profit charitable public trust. It is a very significant part of not only the history of Windsor but also the cultural fabric of Windsor.

My submission will not be too extensive but I want to, first of all, talk about the importance of the facility to the Windsor community, secondly, explain somewhat the impact of recent smoking policy changes on our operations and, lastly, touch upon the importance of funding for the arts.

The Capitol's objects and purposes:

First of all, to encourage the appreciation of artistic expression and creative development and to encourage a community interaction through the provision of programming for community-based, national and international performing arts for the general public.

We have, with the Capitol Theatre, entered into partnerships with very close to 20 local theatre groups to facilitate their particular presentations. We have also worked with both St. Clair College and the University of Windsor, the Windsor International Film Festival and a number of other groups to present artistic works for the benefit of the community.

Also one of the objects is to promote an interest in the performing and related arts for the benefit of the public.

We were fortunate enough to get a Trillium grant recently to try and improve our outreach into the community, but unfortunately that grant is sort of focused and doesn't provide us with general support to try to meet our different objects and purposes.

An additional object is to establish and provide programs, education, drama, art, music, dance, theatre, film and recreation for the benefit of the general public. We've tried to take a layered approach to performances to try to provide more than just the actual performance, and that has been successful in providing, for example, a presentation on the Underground Railroad locally in conjunction with a black history presentation; also, training workshops for budding students in theatre, and cultural types of events as an adjunct to different cultural presentations.

We also are producing live performances for the general public of two locally written works: one by a local playwright, adapting Oscar Wilde's *Picture of Dorian Gray* to the stage, and another one called the *Bates Motel*, which is basically applying the suspense genre of Alfred Hitchcock to the local stage.

Last is to educate individuals and organizations about Canadian performing arts, artists and plays. We have a number of artists—probably in excess of 10—who are being showcased this year, and about six different Canadian written works.

So the Capitol Theatre is a very significant part of the Windsor community, particularly the city centre, where it resides. We also have different partnerships with restaurants to try to work with them to generate activity.

Just recently I had the pleasure of running for office at the municipal level, and a lot of different questions were on the issue of urban renewal and Windsor's economy as it is right now. The city centre is the heart of the community and the arts are among the most important things to the community. I think the Capitol is one of those very important institutions.

The smoking regulation changes: The policy-making change at the provincial level impacted the charitable gaming sector significantly. Just to give you an example, the Capitol Theatre was very dependent upon funding from bingo sources, and our revenue dropped in the last year from half a million dollars to \$50,000. That has resulted in about a \$300,000 deficit—we've been able to make up part of that—putting us really on the brink of bankruptcy. We are hopefully going to be successful in a forthcoming request to city council.

I think that with any policy-making initiatives, and I laud the intention of that change, there are also the unintended consequences. In this case it has impacted the Capitol as well as many other charitable non-profit organizations. I would hope that perhaps you, in your recommendations to the government, will consider some type of transitional funding to understand the severe impact that this has had. I think it's very important that there be some short term. I don't think that we want to become wards of the province or any other government, but it's very important that it recognizes that severe impact that hit charitable organizations.

Lastly, the importance of funding for the arts: I would hope that in your recommendations you encourage the government to continue their levels of funding for arts and also consider increasing the level of funding. There are very many programs, through the Ontario Arts Council and other agencies, that fund artists themselves. Artists need places to perform, and the Capitol is an example of one of those that fosters Canadian artists, young artists, non-profit groups that are presenting different works, so I would hope that some of the continuum in terms of funding for the arts also includes funding programs for venues that provide facilities for artists.

That is basically my submission. I'm here to answer any questions you may have.

The Chair: Thank you very much. This round of questioning will go to the official opposition.

Mr. Toby Barrett (Haldimand-Norfolk-Brant): Thank you to the Capitol Theatre. I appreciate your testifying before the finance committee. You made reference to the impact this government's Smoke-Free Ontario Act has had on your source of funding through charity bingo. I think you mentioned close to a half-million-dollar drop in revenue.

Mr. Lynd: That's correct.

Mr. Barrett: You made mention too that oftentimes government attempts to do the right thing and sometimes it's not thought through and, as you mentioned, unintended consequences do occur. It reminds me of the expression, "The road to hell is paved with good intentions." As a result of some of these consequences, and we know very recently—and this relates to Windsor—there has been a change in direction, a discovery of a loophole, if you will, where casinos are permitted to have smoking shelters because their source of income is not primarily the food and alcohol end of things.

My understanding of bingos is that their primary focus is gambling, which is pretty well the same as the casinos. You don't really go there for dinner or to drink. Have you looked at this at all? Is there any way that this could be explored by your organization or other charities?

Mr. Lynd: I'm sure you may be hearing representations from that particular sector of the economy; namely, the bingo hall operators. That is a possible solution, but I think the actual bingo industry itself has to address that versus a charity that's impacted by it.

Mr. Barrett: Just with respect to your revenue issues, how is the theatre doing as far as ticket revenue? How

has it done over the years? Are you able to sustain yourself?

Mr. Lynd: It's a difficult thing to sustain yourself just on the box office alone. I don't think there are too many different organizations, whether it's Stratford or the Shaw Festival or any of them, that can exist without some type of public funding. We have received it in the past for capital projects, but operating expenditures have been limited to specific programs, and there isn't a general type of support for them. We are approaching the municipality now in kind of a crisis mode, and hopefully that will have a positive outcome in the near future.

Mr. Barrett: Do you get a break at all on property taxes?

Mr. Lynd: The facility itself is not subject to property taxes, but we do have commercial tenants in the building who do basically become taxable.

The Chair: Thank you for your presentation before the committee.

For the committee, our 9:15 presenter has cancelled.

SAVE OUR COMMUNITY SERVICES

The Chair: Centre Communautaire Francophone Windsor Essex Kent, Save Our Community Services, would you please come forward. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Didier Marotte: My name is Didier Marotte. I'm the general manager of Place Concorde, the francophone community centre of Windsor-Essex-Kent. I am also here as a representative of SOCS, Save our Community Services, which is a volunteer group that has started working to try to gather the forces of the community agencies in the Windsor-Essex region that have been affected by shortfalls of revenues primarily from fundraising activities—bingo, Nevada sales, community lotteries—due to the introduction of gaming initiatives by the provincial government that have had some negative repercussions over the past several years on our ability to raise funds for community-delivered programming in Windsor-Essex-Kent. With me is Maria, who is with the AIDS Committee of Windsor and who is also a member of SOCS.

SOCS, Save Our Community Services, is a group that just wants to make the various levels of government—municipal, provincial and federal—aware of the situation: that there is a crisis in the city of Windsor right now. We are facing a shortfall of \$5 million, comparatively speaking, to last year, and in addition to that, due to the economic climate that exists primarily in the automotive sector in the region. The United Way is also faced with a \$1-million shortfall of revenue for their campaign this year. So that's \$6 million taken away from our communities, cutting into programs that are delivered mostly by volunteer groups and community agencies. We just don't know how we can sustain those programs, so we

are making all levels of government and the community aware of the crisis that we are now facing and have been facing for some time now. Restructuring is being done by all. We're lean, we're mean, but we can only go so far.

0920

SOCS is seeking help in order to maintain programming, seeking funding to allow these agencies, which are all community-based, to deliver services that are not necessarily provided by a government agency. Senior programming and youth programming in particular have been negatively affected, as well as other general programs offered to the community by these grassroots organizations.

Several ministries have funding available, both at the provincial and the federal level. Unfortunately, many of those grants are geared to projects. To be honest and very frank, the community groups are very tired of being project managers, where we have to reinvent the wheel and constantly rewrite grants for projects that are not necessarily always needed in the community, but that is the only way we can access funds. There have to be some changes in the priorities of how grants are allocated. Core funding of operations should be a priority rather than consistently reinventing new projects just to access funding. So much energy is being wasted in being project managers as opposed to doing the priorities of each of our agencies on a direct and more valuable basis. Maria?

Mrs. Maria Hamilton: Recently, we did a study with the city of Windsor based on the bingo revenue. It really shocked us, because even with United Way-funded agencies—they have 47 funded agencies and 13 of those agencies said that they were severely impacted by the bingo revenue and now will be severely impacted by the United Way. So the services in this area will suffer. The survey is coming out in February; it will be published. Basically, it stated point blank that our youth services and our seniors are the most impacted right now, and we're trying to find a way that we can save them. We have several agencies right now that are working on a volunteer basis, as Didier said, and we're trying to find a way for them to continue.

The Chair: I'll interject here for a moment. We know you as Maria, but your last name was never stated.

Mrs. Hamilton: It's Maria Hamilton. I'm the director of resource development for the AIDS Committee of Windsor, but I'm here on behalf of SOCS today.

The Chair: Very good. You have time remaining if you wish to use it.

Mr. Marotte: Unless Maria has other things to add, I think I've said enough.

The Chair: Thank you very much. This round of questioning will go to the NDP. Mr. Prue.

Mr. Michael Prue (Beaches—East York): There were some questions asked of Minister Papatello by me in the Legislature about the racetrack and the potential loss of money to the city of Windsor. The money would go out to Essex county. Is that going to impact you at all?

Mrs. Hamilton: I think that's probably going to be another nail in the coffin as far as Windsor itself goes.

But as far as Essex county, they're part of this. It's Windsor-Essex that we've dealt with, so I think they're going to maybe get a little helping hand with that situation. At this point, the combination of things happening in the area is devastating, which is why we went to the city before Christmas and said, "You need to declare this a crisis situation." So I don't think that's going to be a severe impact, but it is going to put another nail in the coffin for the area.

Mr. Prue: In terms of the city, I would take it the city doesn't have the money. I would take it that's why you're here.

Mrs. Hamilton: Correct.

Mr. Marotte: It's definite that the city of Windsor does not have in it their budget to pick up any slack in the funding, nor are they equipped through their social services department to take over the services. So the city has been very receptive to looking at the situation, declaring the crisis that we're in and helping us to define better what has been impacted and what is at risk. That is why the city has commissioned a survey which will be published within the next couple of weeks, and city council will be presented with a report and the findings of that survey. Once that's on the table, we hope and our expectation is that the city of Windsor council will come with us, SOCS, and visit Ms. Papatello and Mr. Duncan to make them aware of the situation and see what the province is willing to do. But already, the writing is on the wall. The province has said, "Don't come to us looking for \$6 million." We just didn't get it.

Mr. Prue: Windsor has difficulties, but I would hazard a guess that you're not terribly unique. I bet you I could go to Hamilton and hear the same thing. I bet you I could go to Ottawa—

Mr. Marotte: I would not agree with that statement, sir.

Mr. Prue: You would not agree with that? Because I hear from those groups that they are having real problems with funding as well.

Mrs. Hamilton: I think there are funding problems right across the board. However, because of the situation in Windsor right now with the car companies' laying off what they've laid off and the closures coming up, the money's not being spent in the area. And we're not just talking about the donations that we're making to the United Way; the casino itself laid off 300 employees. The donations that the casino makes, aside from what we're talking about, have been cut severely due to the economic state of the area. A lot of our business comes from the American population, and the smoking bylaw killed us because they don't need to come here. If they can't smoke, they can stay on their side in their casinos, in their bingo halls. They don't need to come here. And that, through us—which is the \$5 million that we're talking about in the bingo halls alone. All of that money that would be recirculated through the jobs, through not even the non-profit area, is not going back into the city. It's not going back into your retail, it's not going back into your hospitality right now, so it's not going back into

us, the charities and the non-profits. The donations aren't there anymore. The corporations are having trouble right now, so their donations are being cut. Then you go and you have 10 times the number of groups asking provincially and federally for funding and grants. So instead of five people being in the hat now asking for \$10,000, you have 25 people asking for that amount and not everyone is going to get the funding. So there is a greater demand in this area and it's widespread.

You had originally 650 bingo licence holders and I believe it's 300 and something as of 2007, and will be cut again. You're losing organizations every week to the loss. I think our economic area is dependent on the American population. I don't think Hamilton is as dependent—

Mr. Prue: No.

Mrs. Hamilton: —and I don't think London is as dependent. Not having been from Windsor originally, I didn't fully understand that. But in the past five years, being here and working in this industry, I get that. I get how devastating that—even with the dollar, they don't need to come over here.

The Chair: Thank you for your presentation.

CITY OF WINDSOR

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

Ms. Helga Reidel: Thank you very much. My name is Helga Reidel. I'm the general manager of corporate services for the city of Windsor. To my right is Mr. Tony Ardovini. He is the deputy treasurer for financial planning for the city of Windsor.

We do thank you for this opportunity to provide input into the provincial budget. We are, as I have indicated, part of the corporate services department, which comprises primarily finance, legal, city clerk's office, and departments that provide service within the city. However, we have collected input from a broad range of city officials, so we plan to address areas outside perhaps the traditional. As you know, municipalities do have a broad range of responsibilities given to them under the Municipal Act. However, we are often called upon to provide assistance and funding in areas that go beyond our traditional mandate. So you will hear a little bit about that today as well.

The first area that we'd like to address to this committee is emergency services. Approximately 30% of the city's annual tax levy goes towards funding the area of emergency services, and by that we mean police, fire and ambulance. We provide the first two services—police and fire—directly, and we receive ambulance services through an agreement with the county of Essex. The costs are escalating and are expected to continue to do so as a result of need for increased staffing as well as increasing staffing costs that often rise above the rate of

inflation and above the rate of what might be considered a reasonable tax rate increase to our property taxpayers. So we are recommending to this committee that provincial funding to support these areas be forthcoming.

One example of that might be in terms of assistance with costs associated with meeting the requirements of the Emergency Management and Civil Protection Act, which is mandated by higher levels of government than our own. Windsor receives about \$100,000 annually for chemical, biological, radiological and hazardous material response, for training and support costs; however, that is insufficient to cover equipment upgrades as new technology comes to market. So these things then tend to fall onto the municipal tax base, and that's one area that we would recommend you review for assistance to municipalities. In addition, the area of tiered response is something where costs are escalating as we strive to provide first response service to residents.

Tony and I are going to tag-team this a little bit, so we'll be flipping back and forth.

0930

Mr. Tony Ardovini: The second area I'd like to talk about is the area of social services and health costs. As you know, municipalities are still struggling to fund the impact of downloaded services as well as increasing caseloads. This is especially the case in Windsor, where our high unemployment rate is likely to result in increasing caseloads in the next several years, with the compounding increase in municipal funding.

As a longer-term goal, the province should move towards reducing social and health costs impacting the municipal tax base. A phased-in approach could include the following recommendations.

The first one would be an increase in the province cost share for both Ontario Works and child care administration from 50% to 80%. This measure would result in a city savings of approximately \$4.3 million.

A second recommendation would be the provincial payment of 100% of Ontario Works and ODSP drug benefits. This recommendation would result in additional annual savings of approximately \$5.2 million.

A third one would be the removal of the 20% municipal contribution to ODSP. This alone would result in \$24.2 million in savings.

The above recommendations would result in approximately \$33.7 million in annual savings, which would go a long way to assisting the city.

Another recommendation is increasing funding for social housing capital needs to maintain our aging housing infrastructure. Our recommendation in this area would be to develop a program to assist with this funding.

Finally, other areas where we're looking for funding include healthy living, cultural programs, environmental concerns and physician recruitment, which continues to be an area of concern for our region.

Ms. Reidel: The municipality is making recommendations today for increased funding opportunities to the municipality. We also want you to know that we're

appreciative of some of the funding that we do get from the province. I do want to take a moment to recognize the increase in the OMPF funding that was announced late in 2006 and the decision to carry that into the 2007 base. That will go some distance to support some of these cost escalations that we're talking about, and any additional consideration in that area, because that's a direct grant that we can use in various means. So that type of funding is actually the most desirable to the city of Windsor.

One of the areas that we want to talk about increased flexibility on is the provincial gas tax initiative. We are appreciative of the fact that that initiative is now allowed to be used for both capital and operating needs. We are hoping for a program that is even more flexible, not simply based on ridership. We would like to see consideration for the use of those gas tax resources for transportation infrastructure or other transportation initiatives beyond those within our transit corporation.

In addition, in the area of flexibility, we would recommend that the province consider increasing or removing the cap on commercial and industrial tax rate increases. It used to be 5%, and the province increased it to 10%. However, removing restrictions of those kinds would allow us to achieve a market level taxation and avoid having to move the burden for industrial-commercial onto other ratepayers within those classes or other classes.

Finally, another example of flexibility in provincial programs would be within the building code. Currently, the new building act prescribes that our building permit fees cover costs that are incurred from issuance of permit to final inspection. The city would benefit from allowance of inclusion of development costs and other related costs in terms of inclusion in the building permit fees for a more inclusive user-pay service.

Mr. Ardovini: Another significant area is our infrastructure deficit. This continues to be a concern. Our recommendation for your consideration would be to develop a comprehensive infrastructure deficit funding plan that would include water and utility projects. This plan is required to assist municipalities in addressing our significant infrastructure deficits. Municipalities face infrastructure funding deficits in the billions of dollars. The current deficit in Windsor is estimated at \$585 million and includes bridges, sidewalks, combined sewers, road reconstruction and road resurfacing. The deficit does not include additional needs like servicing our annexed lands, expansion of the Little River sewage plant, expressway rehab and widening and other road-widening EA studies currently under way.

It is unrealistic for the property tax base to be able to fund this deficit. In 2006, our capital budget for the city was \$72 million, of which \$50 million, or 69%, went to roads, sewers and transportation infrastructure. Although the province has taken some steps through the gas tax and other initiatives, a systematic plan is required to address this problem comprehensively. The Move Ontario funding of \$8.8 million for Windsor in the spring of 2006 was an excellent program that should continue in the future.

We recommend that the province also re-establish funding for telecommunication infrastructure in the region to improve high-level, high-speed connectivity for underserved areas. This type of infrastructure was previously funded from the telecommunication access partnership or TAP grant that assisted us to improve our high-speed telecommunication capabilities.

Ms. Reidel: We've requested quite a bit in the way of consideration for additional grants to municipalities. One of the points we wanted to make with regard to those grants is in terms of the format of the grant. As you may know, we have been unsuccessful in the first three intakes of the COMRIF grant, which is infrastructure-related. We take the position that the province should move away from a merit-based grant application program and into something that is more objective with respect to infrastructure grants. We would seek grants that are based on per kilometre of roadway or per kilometre of sewer infrastructure such that any funding that is provided to municipalities is sustainable and is across the board and is based on objective criteria. If the province does see that some municipalities have a greater ability to pay than others, we recommend the introduction of an objective factor that could be applied to large-growth municipalities, or whatever criteria the province deems is appropriate. However, we would like to see more measurable—

The Chair: You have about a minute left.

Ms. Reidel: I think we'll make it.

Mr. Ardovini: One other argument is that the border municipalities have associated additional costs just by being on the border. Windsor has been disproportionately impacted by the introduction of the non-smoking legislation and the appreciation of the Canadian dollar, as you have already heard here today. These factors have had a significant impact on the city in the area of lottery revenues. Three bingo halls have closed in a 12-month period ending September 2006. The loss of bingo revenue has had a tremendous impact on not-for-profit organizations that previously relied on this revenue to sustain their operations. It is recommended that the province target funding towards tourism marketing initiatives and additional interim assistance for charitable organizations.

Ms. Reidel: Those are all the areas that we had planned to raise. If you have any questions, we would be happy to try and answer them.

The Chair: Thank you. This round of questioning will go to the government and Mr. Arthurs.

Mr. Wayne Arthurs (Pickering-Ajax-Uxbridge): Good morning and thank you for being here this morning. I say on behalf of the committee that Windsor has been a wonderful host to us overnight. We haven't been here all that long and unfortunately we won't have a lot of time to do much more than our committee hearings. Please take back to your mayor and council our appreciation of the hospitality the city has been able to extend to us.

A couple of questions: You made some acknowledgement along the way of some of the efforts that the

province has been making over the past three years to provide some additional support for policing, an additional 1,000 officers across the province, not Windsor alone—there's been support for that; the ambulance uploading, the sharing that's occurring, moving more to the 50-50 arrangement that had earlier been committed to.

With the plans that the Premier has put in place for the municipalities and the province to be at a common table and re-look at the funding arrangements, the types of matters and responsibilities that the municipalities and the province will undertake, from your presentation—I think it would be very helpful—if you had to make some specific recommendations, a few that you think we should be looking at most closely at that table, what are the types of things that would be important to Windsor?

0940

Ms. Reidel: I would have to say that the deficits that we have in infrastructure certainly would be common across the province and have an enormous impact on the city of Windsor. In addition to direct funding, if the province could see fit to move some of those funding ratios within the social services area, then that would help us to be able to redirect funding into the infrastructure and some of these other areas that we spoke of where the needs are great.

I think I'd like Tony to perhaps respond to that as well. However, certainly the infrastructure needs are significant.

Mr. Ardovini: From a social services/health services perspective, that's also significant. As I stated, with the high unemployment rate in Windsor—it's one of the highest in Canada at this point—it's only going to result in more caseloads getting added on in the next year or two, which will result in a significant impact on our taxpayers. That's really the only source of funding for our portion of the ratio, of the total. So I think that's still a concern, because there's very little control on that from our perspective to generate economic development, but that takes time and the city is putting a lot of resources toward that also.

Mr. Arthurs: Can you tell me as well about the important significance of the border crossing initiatives. We have three or four parties involved. The city has an engagement in that, the province, the feds, as well as the Americans, obviously. How significant is it to the city and its long-term economic health for us to continue to press that agenda?

Ms. Reidel: The border initiatives phase 1 are extremely important to the city of Windsor. I can't speak for our council; there are others who would do that. However, they certainly place the border issues as one of the top priorities, if not the top priority, of issues to deal with in the city.

We are also very appreciative of the significant funding that the province has given and the three levels of government agreements that have been reached in terms of the tunnel plaza redesign, in terms of some of the roadway expansions that are being done on Howard

Avenue and the other sites that help us to get ready for that new border crossing. However, there is certainly the final phase, and that is a design on the ultimate crossing and the routes that go to that crossing. Our council is very adamant that they would like their voice heard in terms of designing that route and improving that crossing for the benefit of all the citizens of Windsor. So indeed, that's a very high priority. We are certainly grateful for that matched funding from both levels of government beyond ours.

The Chair: Thank you for your presentation.

WINDSOR SYMPHONY ORCHESTRA

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

Mr. Jay Katz: My name is Jay Katz and I am the executive director of the Windsor Symphony Orchestra.

Ms. Vicky Kyriaco-Wilson: And I'm Vicky Kyriaco-Wilson and I'm the incoming chair of the board of directors for the Windsor Symphony Orchestra.

Mr. Jay Katz: Everything we'll be talking about this morning is contained in the package just handed out, so there won't be a lot of need to take notes. It's all in there.

Ms. Kyriaco-Wilson: I'd like to begin by explaining a little bit about our orchestra here in Windsor. We've increased our subscription sales by 100% since 1998, along with fundraising. This orchestra has also twice won the Lieutenant Governor's Award for the Arts in the past five years, which recognizes exceptional private sector and community support while maintaining the highest standards of artistic excellence.

In 2003, CBC television nominated the Windsor orchestra for a Gemini Award, and we won the gold medal at the prestigious New York Festival for New Media and Television. Last year, WSO performances were also heard nationally on CBC Radio Two six times during our 33-week season from September to May. Even though we've added many concerts, we are always playing to full houses all season long.

Our educational programming currently serves 12,000 students in concert halls and another 19,000 in 60 in-school concerts and serves the entire region as far as Chatham and Sarnia. It's been used as the model for several orchestras across the country. We really pride ourselves on dealing with ages from zero to 99 and appealing to all people in our community.

Mr. Jay Katz: We tell you these things because the Windsor symphony is one of 386 arts organizations across the province outside of the greater Toronto area and it's just one example of a vibrant arts group whose activities are vital to its community.

There's much need for funding for the arts, for infrastructure in our province. There was the SuperBuild program a few years ago, of course, but that only worked

for municipally supported organizations. Only 15% of the organizations are municipally endorsed, so the other 85% were not eligible for that. There's been no other infrastructure for the arts in the province since 1981.

Some 45% of all the owned or leased facilities that arts organizations occupy are more than 75 years old; 28% are designated historically significant. So we find that these cash-strapped arts groups are actually supporting some of the heritage sites in our community. The government of Canada has an infrastructure program, but it's matching funds only. So without the initial funding to be matched, of course there's no subsequent money coming from the government of Ontario.

We've seen the province make spectacular investments in the city of Toronto that were much-needed and which will yield great return on investment for our communities, we're certain, but there's similar need beyond the borders of the greater Toronto area.

The Ontario Arts Council has also made an increase for funding this year. They've asked for \$35 million over the next three years. Their current budget is \$40 million, but their budget in 1995 was \$43 million. So when you factor in inflation, of course, they're actually receiving less money now than they were 10 years ago. They have studies that show that every dollar they pay out yields \$20 in further economic activity. Their programs reach 2.7 million school children throughout Ontario and they fund activities in 253 communities across the province.

We now know that investment in the arts is actually good for our entire economy. We now have all the data that says that the communities where people want to invest, where companies want to move, where professionals want to live are those that have strong arts and culture sectors, that have a high quality of life. We now see that there's a perfect correlation between the breadth and diversity of our communities' arts amenities and their growth. We now have the evidence showing that the return on investment in the arts shows up on the bottom line and across the economy.

We also know that arts are vital to education. There have been many funding cutbacks in arts as a tool in education over the past 10 years and because of that we've not only seen first-hand in the schools how it's been more difficult for children to learn, but there were many studies that said we'd better find out if this is the right thing to do—cutting back funding—or not. We found out that it isn't.

We now know that children who receive music lessons have their IQs increased for as long as they receive the music lessons, and once they stop, the IQ stays at that level. In 1999, they found that the average scores achieved by music students on the SAT tests in the United States increased for every year of musical study. We have studies that show that courses in music and art and drama have positively influenced high school students not to drop out. We have studies that have shown that music participants receive more academic honours and awards than non-music students.

The data that I have is skewed toward music education, of course, because that's the field in which we

work, but the results are no different for other areas of arts education.

We may have some minutes left within our 10 for questions.

The Chair: Thank you. This round of questioning will go to the official opposition. Mr. Barrett.

Mr. Barrett: I wish to thank the Windsor symphony for coming forward to testify on our finance committee. I just wanted to get a bit more detail on the mix between any funding, not so much for the Windsor symphony but for the arts in general—capital funding versus operating grants. I know you made mention of the fact that so many of our facilities in the arts are heritage buildings, not necessarily a building owned by a municipality. Any comments on that?

Mr. Jay Katz: There really are no programs for capital investment. The Trillium Foundation has some start-up money but there's no bricks and mortar. There might be some things like computers and telephones, which are sort of capital investment, but there really is no established program for capital investment in the arts. All the programs are operating under the Ontario Arts Council.

Mr. Barrett: We see this problem, in a sense, with many of our churches, which are in beautiful buildings. Without the money or the attendance, and without ministers or priests, eventually the buildings get torn down.

With respect to the Trillium Foundation, you made mention of that. How significant a role is that? Is there enough money coming from Trillium? This is allocation of gambling money, about \$200 million a year. Is it a sufficient provision—

0950

Mr. Jay Katz: I can speak on behalf of the Windsor symphony, which has benefited from true Trillium Foundation programs in the past six or seven years. They've been very helpful. The Trillium programs specifically are three-year programs; they're start-up money, seed money. They give you the money to get a program going, which after three years is intended to be self-sufficient. The Trillium program funded the Windsor Symphony Youth Orchestra, which is extremely successful, and before that it funded our education and outreach programs which, as you've seen, have yielded a great return because we're reaching students from all the way to Sarnia and exporting our education programs across the country.

Mr. Barrett: And as you made mention of, we're aware, certainly, of a significant investment in the ROM, the Art Gallery of Ontario; you made mention of Toronto or GTA facilities. I wouldn't say this about Trillium; it seems to be decentralized across the province. But do you feel there's a trend there that it's oriented towards certain institutions, and others get forgotten, or other parts of Ontario are forgotten?

Mr. Jay Katz: I wouldn't say that. I would say that we've seen some very, I think, astute investment in infrastructure for arts and culture in Toronto and now it's simply time to expand that investment further, that there

is just as much return to be derived from investing throughout the province.

The Chair: Thank you for your presentation before the committee.

Mr. Jay Katz: Thank you for joining us in Windsor today. It's much appreciated.

The Chair: For the committee, our 10:15 has cancelled. It's my understanding that the Greater Windsor Home Builders' Association is not in the room, and that Arrhythmia Service, London Health Sciences Centre, is also not in the room.

WINDSOR FAMILY FORUM

The Chair: Windsor Family Forum is here. Thank you very much for coming early. We certainly appreciate your being here early. We are ahead of schedule because of a couple of cancellations, so we can continue our work and hear from you. You'll have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I'll give you a one-minute warning when you get near the end, if that's necessary. I'd ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Bob McGuire: I'm Bob McGuire, and I'm the past executive director of the Windsor Family Forum.

Ms. Mary Jane Stewart: My name is Mary Jane Stewart, and I'm the past volunteer coordinator.

Mr. McGuire: Thank you very much for having us here today. I appreciate your task.

Mary Jane's and my employment was terminated September 15 as a result of the drop in bingo revenue. Windsor Family Forum is a unique organization, I think. We gave you a brochure and a DVD, which is about a 13-minute production done by a couple of University of Windsor students. It has some testimonials of some of the people who received service.

I was the co-founder of the Windsor Men's Forum in 1993. That was a volunteer group that started running groups to support men who were running into difficulties in their lives. After only a few months, their wives were interested in finding out what was going on at these groups, because they saw their partners growing. So we started having women's groups at the Windsor Men's Forum, and it wasn't long after that that they said it shouldn't be called the Windsor Men's Forum, so the family forum was incorporated in 1996 and received charitable status. We have never had funding from any ministry. What we looked to do—we didn't want to be an organization with regular professional services. The idea was that people with some life skills and life experience could contribute to society if there was a place and a structure to do that. We let people pay for services and they can pay in two ways, either with cash or with volunteer work. One of the things that occurred was that the bingo industry was a way of gaining revenue through the use of volunteers, so people could volunteer their time and contribute to our organization over the course of the years. The year before last, we had about a \$400,000 income, and we would see 200 to 300 people a week. We

had half a dozen groups running with about 50 peer facilitators, people who were trained and volunteered their time to facilitate groups. We're well integrated with the rest of the community. We get referrals from the hospitals, from the unions, different employers and a number of other agencies.

With the Smoke-Free Ontario Act and the closing of bingo halls, what occurred was a revenue drop that resulted, on January 15, a week ago today, in the membership of the Windsor Family Forum voting almost unanimously to support the board's decision to dissolve the corporation. This is at a time when we have been growing quite a bit, where we're utilizing people in the community. Actually, I think it's a model that would do well to be invested in and looked at to start up in other communities because of the cost-effective nature of it and the high volunteer base. Mary Jane still volunteered up until last week, answering the phone. I'll let her speak to that. One of the components was providing volunteer opportunities for people on assistance. Many people got jobs, went back to school and had their self-esteem re-established through being able to be in a facility or an agency like ours.

A couple of the recommendations I have, just backing up again: Windsor Family Forum was also a lead in organizing Save Our Community Services, which you heard about earlier. We have an interest in the entire community, not just our organization, and that's why we continue to be here. I'm going to ask for a job so it counts as part of my job search.

The bingo revenue that was lost due to the Smoke-Free Ontario Act is actually larger in dollars than the entire money raised by the United Way. This was an incredible impact on a community. All that money goes to charities and non-profits that support the structure and fabric of our community, from senior citizens to minor sports, places as unique as Windsor Family Forum. We have for a long time been asking for transitional funding, which was one of my suggestions. I believe it's important that immediate transitional funding be directed to the city of Windsor. I'm not sure what that looks like because there are a number of organizations that are not with the city of Windsor, that are in other towns in the community in Essex county, that were running bingo in the city of Windsor.

One of the things I'm not aware of is any other organization or community that got together to address the issue. I know that the town of Tecumseh used to have the most profitable bingo hall in the country. The mayor was very much supportive of the Smoke-Free Ontario Act and implemented no smoking in the town of Tecumseh some time ago, claiming that it had a positive impact on the community. Clearly, it does as far as workplace. Clearly, there's another impact when it eliminates a workplace. Not having the foresight or taking responsibility for maintaining those revenues is, I think, very short-sighted.

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Not long ago, at a United Way breakfast, a speaker came in and was talking about BC and the hydroelectric production and how they wanted to be environmentally

friendly and were using water in the rivers there and how one of the effects, unknown at the time, was that it changed the whole breeding pattern of the salmon. I think a lot of the organizations in Windsor are like the salmon in BC, and something should be done quickly, especially in a community that is facing other employment challenges.

We never went to the city of Windsor to ask for money because, with my past business background, it would be, “Why should we get it? We need to figure out some other strategy, another paradigm, that we can all be successful in, and not just whoever pleads the best case and forget about the other ones.” My grandkids are in minor hockey. So who should suffer? My mother is a senior citizen who does quilting. I don’t want to be the judge of what’s important and what isn’t. All the organizations that were benefiting from bingo are at risk here and have suffered. Throughout the summer, a number of halls had negative pooling, so volunteers from charities went and gave their time and actually lost money, resulting in hall closures. A band of charities came together to reopen a hall. I’m not sure that that will be profitable, and my stating that creates dissension among the charities that had an interest only in surviving and serving the community.

The second recommendation: We have a task force, a pilot project, to look at some new ways of joining forces with industry and different levels of government to have sustainable funding. We have a couple of crazy ideas, maybe some portion of Tim Hortons that is operated in partnership with charities: so new Canadians, people looking to gain proficiency in the language—which would be helpful for me also—people looking to develop skills, who used to volunteer at the Windsor Family Forum, or students looking to do their 40 hours. There are a number of franchises or other possible business opportunities that, working together, could provide sustainable funding streams and not burden taxpayers. Being involved in some project like that would very much interest me.

The Chair: We’ll have to move to questioning now. The questioning in this round goes to Mr. Prue of the NDP.

Mr. Prue: First of all, I want to thank you for coming out in spite of the fact that it appears your agency is now defunct. Do I have it right? Has it just wound down or is it gone?

Mr. McGuire: The membership voted last Monday, so a board will go through the process of dissolving the corporation.

Mr. Prue: Is there some other agency or group of agencies that’s taking over the work that you once did, or will this work no longer be done?

Mr. McGuire: One of the past employees started an organization and looks to do an addiction part of it, and some of the volunteer facilitators we had are carrying on groups at a church.

Mr. Prue: All of this appears to have been a consequence, according to you, of bingo monies being lost. Is that fair, or was there any other cause?

Mr. McGuire: That’s the main cause, with the non-smoking tipping the scale.

Mr. Prue: Were bingos vibrant and really going strong before the non-smoking? I’m from Toronto, and the bingos have been in slow decline for a number of years as a result of other forms of gambling, in terms of the slots and things. Once they went in, the bingos started a fairly rapid decline. I don’t know if the smoking has killed them in Toronto or not, but they were on their last legs anyway.

Mr. McGuire: I wouldn’t say they were on their last legs. We had revenues of close to \$400,000. There definitely was a decline. As somebody looking to contribute to the community, I’ve got to wonder when my job is disappearing and a half-billion-dollar hotel is going up at the casino. So I wonder about gaming revenues locally in the entertainment industry and the focus on building casinos, compared to having proceeds from that portion of the entertainment industry stay within the community, for it to support itself.

Mr. Prue: We have to make recommendations to the finance minister—and I don’t doubt you. You’re not the first person to talk—everybody has—about the decline in bingo revenues and charitable revenues and how that money is transformed into good work. Would your group or other groups like to tap in in the same way in terms of other gambling revenues? We have Trillium, but should there be a direct link? You’re not getting the money from bingos anymore. Should you be able to have a direct link to monies from gaming tables, break-open cards or from all the other forms of gambling we have?

Mr. McGuire: Possibly alcohol. It’s interesting that you bring up Trillium. I’ve come to the opinion that applying for a Trillium grant is like a buying a lottery ticket for a charity, because we put quite a bit of work into a couple of them and got turned down. The last one was because they were concerned about our viability and sustainability. That just doesn’t make a lot of sense to me.

Mr. Prue: Thank you.

The Chair: Thank you for your presentation and being ready to help us out this morning with our schedule. I appreciate it very much.

Mr. McGuire: You’re welcome. Just remember that I am looking for work, and so is Mary Jane.

GREATER WINDSOR HOME BUILDERS’ ASSOCIATION

The Chair: I call on the Greater Windsor Home Builders’ Association to come forward. Good morning.

Mr. Mike Dinchik: I apologize, but our president was supposed to do the presentation. She’s not here yet this morning, so I’ll proceed without her.

The Chair: Let me first let you know that you have 10 minutes for your presentation, and there may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard. Now you may begin.

Mr. Dinchik: Mr. Chair and members of the committee, good morning. My name is Mike Dinchik. I am the executive officer of the Greater Windsor Home Builders' Association.

The Greater Windsor Home Builders' Association is the voice of the residential construction industry in Windsor-Essex county and includes 150 member companies. We are proudly affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association. Our industry represents over 5% of the provincial GDP and contributes over \$25 billion to the economy every year.

Over the past couple of years, the development industry in Windsor-Essex county has been drastically overhauled by a number of government initiatives, including Bill 124, new building code changes, development charges, as well as the new provincial policy statement and planning reforms. While some of the changes are supported in principle by the residential construction industry, we have been vocal in that it is imperative that we offer Windsor-Essex county a broad choice in housing forms at affordable prices to suit their individual lifestyles.

We have reached a general consensus with the government on the need to better manage our growth, preserve our clean air and our clean water and protect our green spaces, while at the same time working to accommodate the anticipated growth over the next few decades.

I know that everyone here is interested in our members' viewpoint on the future health of the housing market in Windsor-Essex county. Today I'm going to speak to you about the housing market and some of the challenges we face going forward as well as our recommendations for the upcoming provincial budget.

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The Greater Windsor Home Builders' Association and its members are looking forward to a severely depressed new housing market in 2007. The Canada Mortgage and Housing Corp. is forecasting starts to decline an additional 5% from 2006. Total starts are down 58% from 2002. Due to the strength in the resale housing market, we are once again expecting another very good year in the renovation sector. This certainly bodes well for Windsor and Essex county existing housing stock, which benefits from efforts to maintain and upgrade housing standards.

I'm now going to briefly discuss the top concerns of our members as they relate to the health of the residential construction industry, as well as housing affordability and choice for the citizens of Windsor and Essex county.

At the provincial level, I would like to congratulate the government for running a balanced budget this past year. We are aware that there are many competing demands on the pocketbook of this government, and while it is very difficult for the government to make choices, this government has done so. The Greater Windsor Home Builders' Association encourages the province to once again plan to balance the budget this year.

Our members are very worried about the harmonization of the GST and PST. The federal government has

sent some signals that the province of Ontario should consider harmonization of these taxes. While I won't address the politics which may defer the final decision to do so, there is a case for the province to go down this road. However, I caution that from the home-building industry's perspective, there is a big "but" that I would like to highlight. It goes right back to the day the federal government brought in the GST. The GST is imposed on new housing, but in recognition of the fact that the land component of new homes was never taxed in the past, the federal government introduced something called the new housing rebate when the GST was brought in. It reduced the tax rate on new homes from 7% to 4.5% for homes that were less than \$350,000. First of all, in Ontario, 4.5% was still a much higher tax rate than the manufacturers' sales tax that the GST replaced, and secondly, the \$350,000 was never indexed. The view at the time was that house prices above that level were for lavish custom-made homes and that only rich Canadians would be impacted by this. A lot has changed in 15 years. The average price of a new single-family home in Ottawa is \$381,000; in Toronto, \$456,000; and in Hamilton, \$395,000. Your average buyer is not rich; they are mortgaging their homes to get into the market and are paying too much GST when they buy a home.

We need this issue to be addressed, and my message to you is that we are working hard to get the federal government to see this. Today we are asking that the provincial government recognize that GST and PST harmonization is a significant issue which would severely damage housing affordability in Windsor and Essex county and would dampen the economic performance of the residential construction industry.

Our industry is very concerned about the broader economic climate that we operate in. The higher Canadian dollar has impacted manufacturers in Windsor and Essex county, resulting in plant closures and drastic layoffs in our area and across the entire province. Unfortunately, we are starting to see the fallout in the form of plant closures, job losses and powers of sale. If you don't have a job, or are worried about losing it, you will not be thinking about buying a new home. We encourage the province to do what it can to bolster the manufacturing sector of the economy in Windsor and Essex county.

To manage population growth and to enhance economic competitiveness and quality of life, the province must once again make significant investments to enhance both public transit systems and road capacity in Windsor and Essex county and across Ontario. The recent bridge collapse in Quebec highlights the urgent need to be proactive and to upgrade and repair existing infrastructure across the province. We were pleased by a number of the transportation investments in last year's budget; however, these kinds of significant investments must occur each and every year to make up for lost decades under previous governments of all political stripes. We encourage your government to move expeditiously on the new border crossing and supporting infrastructure.

The Greater Windsor Home Builders' Association does not support legislated mandatory WSIB coverage for independent operators, sole proprietors, partners in a partnership and executive officers carrying on business in a corporation. Legislated mandatory WSIB coverage will not serve to promote health and safety in the construction industry and will increase underground economic activity in the residential construction sector. Our members, particularly small builders, see this as a new cost of business, with no benefit to them. We recommend maintaining the current legislative framework for independent operators and executive officers.

Excessive regulation and overtaxation on the home-building industry has pushed the price of new homes higher and higher, which in turn has put home ownership out of the reach of many families. Studies have found that the total taxes, fees and charges paid by a home buyer were up to 30% of the cost of a new home. Development charges represent a substantial portion of these fees.

We seek to ensure that home buyers pay their fair share of growth. To this end, we are recommending that the province consider the implementation of a third-party independent peer review process for development charges background studies, as well as an independent audit process to ensure development charges are being spent properly.

Lastly, the Greater Windsor Home Builders' Association is generally supportive of a reduction in the level of personal income taxes that are far too high in Ontario. High tax rates encourage the underground economy, which impacts legitimate builders and renovators and creates general economic distortions. Let's not drive well-to-do Ontarians into lower-taxed areas such as Alberta. Let's keep them here, where we can all benefit from their participation in Ontario's economy.

Let me conclude by stating that our industry is weak in Windsor and Essex county today. The slowing economy and a number of government policies and regulations have had detrimental impacts on housing choice and housing affordability.

In closing, I would like to reiterate that, as one of the primary drivers of the local economy, the residential construction industry in Windsor and Essex county pours significant sums of money into the local, provincial and federal economies. It is in the best interests of all citizens that the provincial government work with us to ensure that the new housing and renovation industries continue to thrive.

Mr. Chairman, members of the committee, to summarize, the housing market will experience another decline next year, housing affordability is a continuing concern, and we need the upcoming budget to invest significantly in transportation infrastructure.

I would like to thank you for your attention and interest in my presentation, and I look forward to hearing any comments or questions you may have. Thank you.

The Chair: Thank you. That must have been written to be exactly 10 minutes no matter who was to read it.

This round of questioning will go to the government.

Ms. Deborah Matthews (London North Centre): Thank you very much for coming today. It's much appreciated. I spent several years in the home-building industry in London, Ontario, so I know what you do.

My question actually is to deal with an issue you didn't discuss, but I wonder if there are any thoughts you or your organization would have into how we can increase the supply of more affordable housing. Are there things the province could be doing and that we aren't doing that would increase the supply of affordable housing?

Mr. Dinchik: One of the things that we've been very supportive of at both the federal and provincial levels, and on which we have any number of policy statements, is that we support and encourage both levels of government to go to the private sector for creating affordable housing, but by this, we mean that there should be more emphasis on housing allowances and vouchers instead of the province or the federal government building the supply of housing.

Ms. Matthews: I guess my question really should have been more specific. I wonder if there are things the government could do that would actually lower the cost of housing, other than through subsidies and so on.

Mr. Dinchik: One of the things that really affects our industry, and it's basically an indirect cost, is the building permit fees and development charges. They are extremely high. In a lot of cases here in Windsor and Essex county, before a builder even scrapes the surface of the ground, it's anywhere from \$14,000 to \$17,000 that they're giving to the municipality for various permits, fees and development charges. I would think that's one of the things that we need to focus on from the standpoint of affordability.

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Ms. Matthews: Do I have time for one more question?

The Chair: Yes, three minutes.

Ms. Matthews: I want to go back to what you raised in your presentation about the harmonization of the GST and PST. I wonder if you could just expand on your concern a little bit. Does it have to do with the 4.5% for houses under \$350,000?

Mr. Dinchik: Essentially, we certainly don't want to see the PST and the GST put together and be charged on the end sale price of a new house, because that's going to be another 8% on top of the cost of a new home. That's our major concern.

Ms. Matthews: Because the land would be taxed?

Mr. Dinchik: Both would be taxed, as we understand it today.

Ms. Matthews: Is that your only concern? So if that could be addressed—

Mr. Dinchik: Yes.

Ms. Matthews: Okay. Thank you.

The Chair: Thank you for your presentation.

ARRHYTHMIA SERVICE,
LONDON HEALTH SCIENCES CENTRE

The Chair: I call on the Arrhythmia Service, London Health Sciences Centre to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Dr. Allan Skanes: Good morning, ladies and gentlemen. My name is Allan Skanes. I'm a cardiologist and arrhythmia specialist from University Hospital in London. I'm here to draw your attention to a funding opportunity called complex cardiac ablation.

I recognize you've heard a number of presentations this morning, so what I'd like to do is bring the issue to you right up front to focus you a little bit. Rhythm disturbances of the heart affect about 1 in 100 people in Ontario. Patients continue to have spells despite the best medical treatment. There's a curative procedure called catheter ablation available. The trouble is that the catheter ablation procedure has a long waiting time, up to about a year. OHTAC, the Ontario Health Technology Advisory Committee, have evaluated this procedure. To be brief, they've recognized a growing need for the procedure, they have recommended new funding for the procedure, but as of yet the funding has not been forthcoming. Eight hospitals across the province are funding these procedures out of their global budgets and we don't think that's a particularly stable or sustainable way to fund new growth for procedures in Ontario.

Let me take you through some of the background to help you understand what I'm talking about. The first question is, what is catheter ablation? I'm a physician who treats arrhythmia disturbances in the heart. Young, healthy people like us can suddenly have rhythm disturbances. These can be life-threatening and, if not life-threatening, certainly require immediate medical attention, emergency room visits and hospitalizations. It has a dramatic impact on quality of life and may increase risk of stroke or mortality. Such patients are generally treated with medications. Unfortunately, medications, even our best treatments, frequently lead to failure. The catheter ablation procedure, quite frankly, is to address this arrhythmia and cure it. What we do is we put wires or catheters inside the heart to find the little spot that's causing the arrhythmia, called mapping, and when we find that spot we deliver energy to zap it or ablate it, if you will, and thereby cure the arrhythmia.

If I can address your attention to page 2 of the handout that I gave you, what I've given you is a schema of the heart in panel A, just to give you the idea that we're putting little wires or catheters in the heart. In panel B, you can see an X-ray image of what the physician actually sees and we navigate these catheters through the heart to find the spot that's causing the arrhythmia. This is called conventional catheter ablation. What we're here to talk about is complex ablation, so I'm going to contrast the two in just a minute. It's important to know that

conventional ablation, as I described it, is very effective. It's the standard of practice for these arrhythmias and we've been doing it at our centre for 25 years.

The next question is, what is complex ablation? The problem with the arrhythmias in the heart is that the most common don't occur in a single spot in the heart but occur in a whole region or a number of spots. That makes it difficult for us to target. Number two, the anatomy in the heart can be very complex. On page 3 I've given you a feel for that by giving you panel A, which shows one of the chambers of the heart. You can see that it's complicated, there are branch points, and it may be difficult, if you look at the X-ray image, navigating catheters within that chamber.

What we use is a computer-generated model. There's an example in panel B. We quite simply move a catheter within the chamber, build this, and then we can navigate to spots without delivering excessive X-ray radiation to the patient. Panel C shows you the ablation lesions that are acquired. So each of these red dots is an ablation lesion, and you can see quite simply that this is a complex pattern of ablation in a complex chamber.

So all of this together, with our computer mapping system, is called "complex ablation." With the computer system, we are getting better results and less radiation exposure to patients.

What is the impact of this procedure? Quite simply, patients, when they get this, are incurring substantial health care costs—emergency room visits etc. So if successful, the ablation procedure eliminates a substantial list of these costs. It also improves quality of life, allows patients to return back to work, and it's become the standard of practice in all health care systems like ours, including across Europe, Australia and in fact much of the East: Japan, Korea and China.

Is there a need for this procedure in Ontario? On page 4 I've given you two graphs. The first is the total ablations performed in Ontario across eight centres, and you can see that there's a substantial amount of growth occurring. The vast majority of these will be conventional ablations, but in panel B I provide for you the growth in complex ablation at our centre alone.

What is the clinical need? OHTAC estimated that, at minimum, 2,000 or so of these procedures would be needed over the next five years across eight centres. This is around 450 cases per year. There are four high-volume centres and four low-volume centres in Ontario but, regardless, each centre is going to face probably a 50% to 100% increase in these complex ablations over the coming year. Our centre performed about 100 last year, and we have a nine- to 12-month waiting period to perform those. So, clearly, if there's going to be growth, this wait time is going to increase.

What limits growth for these procedures in Ontario? Quite simply, it's funding. Conventional ablation, as I described it, receives priority funding at \$2,600, determined in 2001. The trouble is that OHTAC has estimated that hospitals are spending between \$8,500 and \$10,500 per case, and there's no differential funding for the com-

plex cases. For every case we do, there's a funding gap of nearly \$8,000 per procedure. So in London, for us to do our 100 cases, for instance, it costs between three quarters of a million and \$800,000, and that was purely absorbed into our hospitals' global budget. Preliminary economic data suggest that this procedure's upfront costs could be recovered in as little as two years and certainly by five. I think that's important to note.

Why would our hospital fund this? To be quite clear, there are a number of arrhythmia groups across the province that are very well known. In London, we are recognized to be among the top 10% to 15% of arrhythmia groups internationally, and certainly the premier group in Canada. We've trained arrhythmia physicians from Victoria to Halifax and every major centre across the country, and in the UK, Australia, Europe and Asia. We've published and continue to publish in top cardiovascular journals. We've made a number of Canadian technologic and worldwide technologic firsts. We were the first arrhythmia lab in Canada. We're the most experienced and we do the most volume in Ontario. Our catchment area is extensive, from Toronto to Windsor, Owen Sound, Thunder Bay, Sudbury and in fact all of Manitoba. It's important to know that they fund us for doing that. We're also a referral centre for failed ablations, so that the other centres across Canada that have failed procedures refer them to our centre.

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In summary, at the risk of sounding immodest, we are recognized for excellence in health care, research and teaching. Because our hospital recognizes that, they're willing to fund our program and its growth to some extent, but clearly that's not stable or sustainable. Hospitals are being asked to balance their budgets, so growth is clearly not going to come through that mandate. We, as a program, are obviously very concerned about how we maintain our own procedures, let alone grow.

What are we asking for? On page 7 I've given you a breakdown of some of the numbers that I think are involved. Province-wide, if we are to do 446 cases next year, that could incur a cost of \$4.9 million across eight centres. I recognize that that's a substantial amount of money. In London, we could provide a partial solution to this problem, and this is highlighted in line item 2. We would need to cover the funding gap for our hospitals at a cost of \$750,000; plus, if we were going to do an extra 100 cases, that would give a grand total of \$1.85 million for the next fiscal year.

Beyond that, if this growth is going to continue, centres like London are going to require some investment in infrastructure, so I put a line item there as well, down the road, of \$2 million in terms of an extra space, lab etc. in which to do this.

Clearly there are consequences if there's no improvement in funding across the province. As I said, there is a growing need for this procedure, and wait times are as long as nine to 12 months as it stands now. Young, healthy people like ourselves are incurring costs through the emergency room, hospitalization, ongoing medi-

cation, poor quality of life, and there are ongoing studies to show that this procedure may reduce stroke and mortality down the road. So without a funding change, obviously there's going to be a tremendous increase in wait times, partly by unmet need and partly by the fact that hospitals are going to have a hard time funding this.

The last thing I want to leave you with is that the economic data coming out suggest that the upfront costs are recoverable. So while there are a number of groups that are going to ask for money, what we're asking for is an upfront investment in a procedure that improves quality of life and may actually reduce stroke risk, and whose cost is recoverable in a short period of time.

I thank you for your attention.

The Chair: Thank you for the presentation. This round of questioning will go to the official opposition. Mr. Barrett.

Mr. Barrett: Thank you, Doctor, for the presentation from the Arrhythmia Service. Clearly, you've identified the need in your wait list: nine to 12 months. With the present trend, you're suggesting that may double if the need goes up another 100%.

With respect to the funding shortfall that you've identified, a couple of questions beyond the testimony before the finance committee: I'm assuming that the hospital administrators in London Health Sciences and other facilities have gone to bat for this. What else has been done as far as process?

Dr. Skanes: I'd love to tell you that as a physician I have great insight into the way the hospital administration does its business. To some extent I can't answer that from that point of view. What I can tell you is that physicians have formed a group called the Canadian Heart Rhythm Society, and the Ontario group of physicians has brought this before OHTAC. In fact, OHTAC has made a recommendation for funding. As far as I know, that's gone in front of JPPC, the Joint Policy and Planning Committee. From that point of view, we've done what we can to try to put this, including sessions like this, in the public eye. On the hospital administration side, I believe that this has been brought before the Ontario Hospital Association, so these people are aware of this.

My only comment is, as you might imagine, that this is a small piece in what hospitals are seeing as a huge picture, and their major focus right now is balancing budgets rather than looking at new funding opportunities. They're doing what they can, but obviously, their focus right now is a little bit in a different direction.

Mr. Barrett: You made mention of the referrals from the province of Manitoba. To your knowledge, that province's ministry of health would pay for the full cost of that?

Dr. Skanes: Yes, right. We're totally reimbursed for that by Manitoba.

Mr. Barrett: To your knowledge, what is the situation in other provinces, going west, for example, in Alberta, British Columbia?

Dr. Skanes: I think it's probably province to province. These ablations are being done Canada-wide, and each

province obviously has its own conditions to deal with. I dare say Alberta has a different situation than, for instance, BC. Each is trying to do a large number of these procedures, and I think it's fair to say that every province is dealing with escalating costs and have to deal with them. But my colleagues across the country face the same concerns that we do in Ontario—perhaps not in Alberta.

Mr. Barrett: Okay. Thank you, Doctor.

The Chair: And thank you for your presentation.

CAW CHILD CARE SERVICES
ONTARIO COALITION
FOR BETTER CHILD CARE

The Chair: I would call on the CAW Community Child Care and Developmental Services Inc. to come forward. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard. You may begin.

Ms. Anna Angelidis: Good morning. My name is Anna Angelidis. I am a member of the Ontario Coalition for Better Child Care and also the executive director of CAW child care services.

Ms. Sandra Dominato: My name is Sandra Dominato. First of all, I'm a parent raising a child here in Windsor. I'm with the coalition also, and I'm representing the Windsor District Labour Council women's committee.

Ms. Angelidis: We want to thank the committee for the opportunity to present our views and highlight the importance of making early learning and child care a priority for this year's Ontario budget.

The Canadian Auto Workers union, through collective bargaining, was the first private sector union in Canada to negotiate an employer-sponsored child care program. Since 1989, the Windsor CAW child care centre has provided a vital service to the CAW membership under the guiding principles of the Day Nurseries Act of Ontario. The centre is a model for regulated, extended-hours, affordable, high-quality, non-profit child care for shift-working families.

The Ontario Coalition for Better Child Care was founded in 1981, and since then, as a non-partisan political action group, the coalition has continued to press successive governments to make improvements in child care to benefit children and families across the province.

After 30 years of advocating for better child care, in 2005 we came close to achieving a national child care program. Best Start is the Ontario government's 10-year-plus vision to develop a strategy to provide Ontario's children with the best possible start in life and help them to achieve success in school. The Best Start plan is an indication of this government's commitment to early learning and child care and has moved Ontario in the right direction.

We congratulate the Windsor-Essex county Best Start steering committee and our municipal government on the determination to continue with the delivery of the plan and services. Parents and children in our community are further ahead as a result of the very hard work, co-operation and commitment of the Best Start Network.

CAW and the coalition fear that without government commitment to continue the funding, the Best Start vision will not become a reality. In particular, we see many challenges that must be overcome in the following areas.

First, affordability and accessibility: If working parents can find high-quality child care space, many can't afford it. The proportion of employed mothers with young children has steadily increased over the years. In Ontario, there are 1,929,000 children under the age of 12, and 64% of children under 12 have mothers in the workforce. In our community, there are 48,000 children from 0 to 8 years of age, and only 14.5% of those are able to access licensed child care spaces. Child care fees charged to parents can be as high as \$65 per child per day. At \$50 on average per day for a two-year-old, child care would cost families \$13,000 annually.

1040

The 206 newly created child care spaces to date under the local Best Start plan have offered the opportunity to working families in our community to experience improvements in services in early learning child care. With the cancellation of the child care agreements and without an infusion of funding to support the work already begun, we will not achieve the Best Start vision.

We're encouraged by the government's recent decision to abandon needs testing and to move to an income test for eligibility for child care space subsidies. This is definitely a step in the right direction and can mean the difference between a gainfully employed citizen and a citizen who depends on social assistance. This can also mean the difference between children living in poverty and children who are given a chance in life to reach their fullest potential. This welcome change will enable more families to qualify for subsidies. However, municipalities will find it difficult, if not impossible, to accommodate all of the families if the province does not commit to additional funding. How we choose to support our children today will determine the future of our community, our province and our country.

The second concern we have is quality. Adequate compensation for child care workers and ECEs is essential to deliver quality child care. High-quality child care is the foundation for lifelong learning for all children. Child care employees are amongst the lowest-paid workers, averaging a salary of \$14.24 per hour. Wages and benefits, including pensions, of ECEs should be reflective of their responsibilities to care and provide a safe educational and nurturing environment for our youngest citizens each and every day.

The ability to recruit and retain qualified ECEs is of great concern to many child care providers. Reports show that 50% to 70% of ECE graduates do not join the child

care sector because of poor wages and benefits. Inadequate funding, high per diems, and inability to cover operating costs with parent fees contribute to high turnover in staff and inconsistency in care, which ultimately results in poor quality of service. Without a renewed commitment from the Ontario government, our community stands to lose over \$541,000 to improve wages of child care workers under the community plan. Fully 98% of the total workforce in child care is women. Wages for ECEs must be addressed through direct funding, through public investment in wage enhancement and pay equity to maintain quality.

The Ontario government's 10-year-plus vision with the Best Start plan offered hope to many working families in our community and across the province. Along with the vision came a promise of new funding dedicated to early learning and child care. The cancellation of the signed federal-provincial child care agreements proved how fragile and vulnerable our child care system is in our country. Signed agreements for \$1.4 billion to fund early learning child care were replaced by a \$100-per-month child care tax allowance. The \$1,200 a year is not a substitute for public investment in quality child care. It is an insult to the 1.3 million working mothers with children under the age of 6 who voted for a publicly funded and publicly accountable non-profit child care program.

We therefore call on the government of Ontario to make the vision of Best Start a reality and to honour its commitments to families and the children in the province by investing in 2007-08 the \$300 million pledged to the electorate in September 2003 by Premier Dalton McGuinty for early learning and child care for all in Ontario, and by investing direct funding to Best Start to allow the Windsor-Essex county Best Start plan to move forward with the expansion of new child care spaces in the non-profit sector, improved wages, improved working conditions and early learning for all children between 0 and 12 years of age, especially for children with special needs.

Time is running out. Make the vision of Best Start a reality. Thank you.

The Chair: And thank you. Do you have further comment?

Ms. Angelidis: Yes, we do.

Ms. Dominato: As we mentioned, we're here representing the Windsor Essex Childcare Action Network, WECAN. WECAN was founded in 2001 to advocate for child care needs in our community. Our mandate is outlined by the Ontario Coalition for Better Child Care. Our coalition partners with women's groups, child care advocates, students, parents, child care workers and the unions of the city. We have had contact with a family that participated in the Quebec model of child care and have learned of the many features that were offered. We focus on the effects of downloading on child care funding and service delivery in Ontario. We advocate during local, provincial and federal budget-settings. We need to raise awareness about the benefit of government-funded

and -regulated early learning services for children and families, and to give a voice to the working families of Windsor. Currently 33% of Windsor's labour force comes from the manufacturing or construction workforce.

I just want to give you a parent's point of view. Like many families in our community, both my partner and I work full-time and we're raising a daughter. This adds an incredible amount of stress on our lives. We were fortunate enough to have the CAW child care centre as our child care provider, easing some of the stressors on the family. I'm also fortunate enough to belong to a union who believes in social values, which helps our members and also helps the broader community.

The CAW has made child care and support for working parents a key issue on our bargaining agenda and has advocated for child care for over 20 years. We have negotiated paid time off for parental and pregnancy leaves in many of our workplaces. We have negotiated subsidies for our workers that access not-for-profit child care centres. Even with that subsidy, from 0 to 5 years old, it cost us over \$40,000 to put our daughter into child care—just to give you an idea of what we've paid.

We have also recognized the need to create child care spaces. We opened the CAW child care centre in Windsor and in 1997 we opened a second one in Oshawa. However hard we try, we've never been able to meet our members' needs. There is a long waiting list for our parents to get into the child care centre. It is common to see parents switching children from one car to other between shifts in our parking lot or over at the Tim Horton's near our plant. We have many parents who are currently working opposite shifts to take care of their children. This puts a great strain on their relationship. I often get calls from desperate parents pleading for child care. Without it, they won't be able to work.

We also represent Casino Windsor workers, whose workplace is a 24-hour, 7-day operation. Traditional hours of operation and availability of spaces are currently not meeting their needs.

The lack of childcare is often a barrier for working parents, driving absenteeism upwards and putting financial burdens on our parents and our employers. It is our belief that the government must play a larger role in meeting parents' and children's needs.

We have been embarrassed on a national level from the Organization for Economic Co-operation and Development, which concluded that Canada was not investing nearly enough in early learning and care. The OECD report noted that Canada invests less than half of what other industrialized nations do, even though more Canadian mothers with young children work outside the home than in any other country.

With the investment from the provincial government, we now have the chance to meet parents' needs. We must not throw this opportunity away. Proper funding will enable programs to improve and expand. We need legislation that sets out standards of the highest quality and ensures that new funding goes into non-profit early edu-

cation and child care programs. In Windsor, we are fortunate to have an agreement with the city to improve quality and accountability of public dollars by earmarking funds for expansions to not-for-profit sectors only. This standard should be a provincial standard.

There is an issue of losing control of our child care system to corporate chains if growth is not limited to the non-profit sector. We must heed the warning that trade agreements will enable big-box child care companies to get their hand on public dollars, leading to further commercialization of child care.

We must have accountability in the system to make sure that standards are met. We have seen what happens many times through scandals when accountability is not part of the system. We want the money to go directly to children's programs enhancing children's early development to the fullest.

The time is now to recommit to the families in Ontario. You can do this by investing funds into early learning and child care programs and increasing investments for all children between the ages of 0 and 12, especially for children with special needs, and, most important, for the families so that the money is spent on the children and not for-profits.

In conclusion, publicly funded child care is a smart investment for communities. A Canadian study shows that for every \$1 spent on high-quality child care for all children, there is a \$2 benefit for children, families and society. In fact, James Heckman, a Nobel Prize-winning US economist, tells us that public investments in young children yield a higher return than most economic initiatives. Thank you.

1050

The Chair: And thank you. To the NDP and Mr. Prue.

Mr. Prue: Thank you very much: a very good presentation from both of you.

In terms of government funding, I don't know what the minister is going to be recommending, but would you recommend that all of the money go into not-for-profit child care? I believe that in past budgets, a good portion of the money went to for-profit centres, people who make money off it.

Ms. Angelidis: The coalition's position and the position of CAW is that all investments into early learning and child care go into the not-for-profit sector to ensure that at least minimum standards are met and accountability is there for public funds.

Mr. Prue: In terms of the for-profit centres that are operating now, what is your position? The government argued—I think wrongly, but they argued—that there were a lot of kids in those centres, and they weren't willing to move the funding away. What would happen with those kids?

Ms. Angelidis: Again, the position of the child care advocates, the CAW and the coalition is that existing for-profit child care centres should be grandfathered. They have been providing the care; they have been meeting a need in the community. But again, standards need to be

enforced and need to be met in order to ensure that quality of care is provided to working families.

Mr. Prue: You are advocating here that the government spend \$300 million that was pledged by Premier Dalton McGuinty in 2003. How much have you seen of that \$300 million spent to date?

Ms. Angelidis: I know that our municipality, under the Windsor-Essex Best Start plan, was expecting to receive \$30 million. When the federal government cancelled the agreements, that funding was reduced to close to \$11 million. So in order for our community to go ahead with a Best Start plan, we need to have at least the funding that was required to create the new spaces and to increase the wage subsidy to many child care workers. A lot of the child care providers are not able to pay their employees, their child care workers, a decent wage, simply because the funding is not there and parent fees do not allow for all that.

Mr. Prue: What should the province be doing in the event that the federal government continues on its misguided—I'm going to be very gentle today—policy of a hundred bucks a month? Should the province be going alone? Obviously, you can't make a deal with the government if it simply wants to go in another direction.

Ms. Angelidis: Well, we trust that the provincial government—and we have seen the actions the provincial government has taken to put pressure on the federal government to reinstate the child care agreements. But if the federal government is not prepared to commit the funding, then the provincial government should take a stand and fund adequately the early learning and child care programs in order for the programs to be successful.

Mr. Prue: And, in your mind, have they done that to date?

Ms. Angelidis: You mean as far as the provincial government's work?

Mr. Prue: The provincial government, yes.

Ms. Angelidis: We have seen a lot of the action that has been taken, but we do believe there is more work that can be done. The government can put more pressure on the federal government and make child care a priority. This is an investment for our youngest citizens, and study after study shows that by investing in child care, we not only prepare the youngest citizens, we not only equip them with the skills to become productive citizens; we enable parents to continue with their education, to continue working, and that has great returns in our economy and puts us a step ahead.

Mr. Prue: Thank you, Ms. Angelidis.

The Chair: Thank you for your presentation.

LEGAL ASSISTANCE OF WINDSOR

The Chair: I call on Legal Assistance of Windsor to come forward, please. Good morning. You've been in the room for some time, I've noted, but I will say to you that you have 10 minutes for your presentation, and five minutes of questioning may follow that. Please identify yourself for the purposes of our recording Hansard.

Ms. Marion Overholt: Thank you, Mr. Chair. My name is Marion Overholt, and I am the staff lawyer at Legal Assistance of Windsor. I'd like to extend a very warm welcome to the committee. I'm very grateful for this opportunity to present to you, and I am so delighted that you were able to come to Windsor.

Now, because I am speaking earlier, I would say that I am also part of the Homeless Coalition of Windsor-Essex County, and there will be a number of those members coming in just before 11:15 and 11:30, anticipating my presentation. I have so many things that I want to talk to you about that perhaps I could speak to you again at 11:30. I wouldn't mind that at all.

I'd like to answer one of the questions, first off, that Mr. Prue was asking the community groups that appeared before the committee this morning in terms of funding of social programs. Our homeless coalition is a network of over 36 organizations in Windsor-Essex county that provide services to the homeless, and one of our frustrations in dealing with the provincial level has been the coordination of service. When we speak to the individual ministries, there seems to be some question as to whether homelessness is an issue for the Ministry of Municipal Affairs and Housing, is an issue for the Ministry of Community and Social Services, is an issue for the Ministry of Health. We know there has been a coordinating committee that has convened a number of times in the last year to look at these issues. It would be very helpful if that committee had funding so that joint initiatives at the provincial level would occur.

We're asking for that kind of ongoing core funding because the fatigue among the service deliverers who are working in the area of homelessness is palpable. However, when we look at why we have poverty in Ontario, it is important to recognize that we have poverty because of legislation. We legislate poverty in the province of Ontario, and therefore it is the government that has the power to address this fundamental problem.

In February 2002 and February 2004, we appeared before this committee. Our brief focused on three points: first, the need to increase disability and social assistance rates; second, the need to invest in affordable housing; and third, a request to end the clawback of the national child tax benefits from social assistance cheques. Since that time, the following consequences have been observed: In 2004, over 155,000 citizens in Windsor and Essex county used food banks. Over 113,000 meals were served in meal programs offered by the Downtown Mission, the Salvation Army, and the Amherstburg Food and Fellowship program. Over 1,700 people sought credit counselling in the same year. Our emergency housing programs provided shelter to over 1,200 people, and there are over 2,300 families who are on the waiting list for the central housing registry, which is the access point for individuals and families seeking geared-to-income housing.

We call on this government to meet its election promise to implement cost-of-living adjustments for families on welfare and Ontario disability and to end the

clawback of the national child tax benefit supplement from families on social assistance.

Rate cuts and inflation since 1993 mean that the purchasing power of social assistance incomes has been reduced by 40%. In the government's own report by Deb Matthews—and I'm so pleased to see you here today, Ms. Matthews—she stated that inadequate social assistance rates are a barrier to finding work.

The 3% increase in social assistance rates announced in 2004 and the 2% for 2006 are certainly a step in the right direction, as was the decision to pass on the federal increases to the supplement since 2004. But social assistance rates remain woefully inadequate to purchase the basic necessities like food and shelter. A lone mother with one child receives \$885 a month after the clawback. The Ontario government continues to claw back \$122 per child per month from social assistance cheques which affect over 209,000 children per month. Ending the clawback would have an immediate impact on reducing child hunger.

Therefore, it is critical—and this is the budget where you can do it—for this government to implement the following changes to social assistance:

- Raise the shelter allowance portion of Ontario Works and ODSP to average rents in communities.

- Increase the basic needs allowance portion of Ontario Works and Ontario disabilities to 1994 levels.

- Index the social assistance benefits to the cost of living.

- Finally, now is the time to rescind the clawback of the national child tax benefit from social assistance.

1100

If I could now turn your attention to housing, it is vital for this government to recognize that affordable housing is not just a social and health issue, it is smart economic policy.

The HARS report from Windsor and Essex county, which is the housing analysis and recommended strategies report of 2004, recommended the construction of 500 additional rental units in Windsor and Essex county per year to keep pace with the projected growth in Windsor and Essex county. The average cost of a new dwelling is \$200,000, which is well beyond the reach of low-income residents. The HARS report documented that 42% of residents are spending over 30% of their household income on rent and 63.8% of social assistance recipients are paying more than the allotted shelter allowance for rent.

The housing shortage creates a vicious cycle for tenants, who often tolerate slum dwellings in desperate need of repair, always fearful that their landlords will evict them at the first instance of a late payment of rent. Municipalities have been saddled with the cost of social housing programs, and funding housing from property taxes is bad public policy. We have witnessed the struggles that clients have faced when they have lost their accommodation and ended up on the street. The uphill battle to re-establish them in housing is huge. Each

success story is tenuous as they are one financial crisis away from being back on the street.

As for emergency shelters, our municipality has had to intervene to keep our women's shelter and the residential addictions treatment program open. The inadequacy of the emergency shelter rates was documented by the Ontario Municipal Social Services Association in their December 2005 report on emergency shelter services entitled *More Than Just a Bed*. The report concludes that in the absence of a new service delivery model and a new funding model, the risks and liabilities faced by emergency shelter residents, shelter operators, municipalities and the government of Ontario will continue to escalate.

They recommend as an interim step that the per diem rates for small shelters be raised to \$85.95 and be funded 100% by the province. The report contained this warning: "If these deficiencies in the current funding model are not addressed in a timely fashion, the emergency shelter system that exists in Ontario today will be seriously compromised to the detriment of all concerned."

The bottom line, to use financial lingo, is that it is a mistake to let the market overshadow human needs. It is in the best interests of everyone to lower poverty rates and raise the standard of living for people living in deepest poverty. This is a social deficit that must be given priority over the fiscal deficit. As Minister of Energy Dwight Duncan has said, the government must be aware of the opportunity cost. What price will be paid if the government misses this opportunity to restore dignity and income to our poorest citizens? Can we afford that cost? Every report on child poverty from 1989 onwards reports the deepening crisis. It is time to shore up our resources and protect our communities from the further onslaught of social decline and despair.

Thank you. I welcome all your questions.

The Chair: Thank you for the presentation. This round of questioning will go to the government.

Ms. Matthews: Thank you very much for coming this morning. I think you raise issues that are important to all of us, and I appreciate the advocacy work that you do and that legal aid clinics do across the province. It's nice to hear you advocating for your clients and not for more funding for legal aid clinics.

Ms. Overholt: But we need that as well. I could speak on that later.

Ms. Matthews: I'm sure you could.

I want to ask you if you've had the chance to read the MISWAA report—

Ms. Overholt: Yes.

Ms. Matthews: —and if you have any comments on their recommendation for an Ontario child benefit that would go not just to people on social assistance but to all low-income people whether they're working or not.

Ms. Overholt: Right. I've read the MISWAA report, and one of the concerns that comes out with advocating the child benefit is recognizing that people who are working and receiving minimum wage and people on social assistance are at really dire income levels. So in

advocating the child benefit, there was a thought that we could address the needs of working families.

One of the issues that I didn't get to raise in my submission which I would like to raise is the need to increase the rate of minimum wage up to \$10 an hour. We acknowledge that the government did increase it, and you deserve a great deal of applause for the initiative that you took by increasing it up to \$8 an hour, but we know in our community alone there was a study that was done by the federal government that looked at what rates of wage you would need in order to afford apartments in the city of Windsor. Depending on your family size, you need at least \$10 an hour as a minimum wage, if not \$12.50, in order to afford that accommodation. So we understand the child benefit as a way of trying to help both families on social assistance and families that are earning minimum wage. There is also a need for single adults and families, couples without children, to receive adequate income on both social assistance and in terms of the wage market and minimum wage jobs.

Ms. Matthews: Thank you. I wonder if anyone else has a question.

The Chair: Are there other questions?

Mr. Arthurs: Mr. Chairman, if I could, with the time we have remaining, I was interested in a number of comments in your presentation—thank you for those—and for the acknowledgement that there has been an effort made over the past couple of years to begin addressing some of the deficiencies that were a long time in the making. The issue of coordination of ministries I find extremely interesting. No matter what we do in trying to deal with the issues in a fashion that's far more comprehensive, in this silo-based entity—I've made a particular note of that for my own benefit in a number of matters.

Near the end of your presentation you spoke about the social deficit. When Minister Duncan was Minister of Finance and presented that budget, he talked about the health deficit, the education deficit and the infrastructure deficit, and we're beginning to talk a lot more, I think, about the social and human deficit as a budgetary focus. Can I assume from this—and you may want to take a minute to expand in the time remaining—that you would encourage us to use this opportunity in this budget to focus our attention on the social and human needs of the community, whereas in past budgets we've turned our focus to other needs?

Ms. Overholt: Absolutely. I feel it's critical. This is a prime opportunity for you to address the needs of our community. When Dwight Duncan was Minister of Finance last year, I presented to him and I said, "I have the solution for you to deal with housing issues, with health issues, with education issues and community and social services issues. By focusing on the poverty rates in the province of Ontario, you're going to enhance the work of all of those ministries, because across the board, poverty affects all those people. If children aren't getting enough to eat, it affects their ability to perform in school. If people are living on the street and are unable to be

housed, your health costs are huge.” It is really fundamentally key, in order to make Ontario into a thriving economy, that you look out for the well-being of our individual citizens and provide them with assistance. I can’t tell you—living in this community and doing the work that I’ve been doing for over 18 years, I’m so very much concerned with the layoffs that our community will be experiencing in the manufacturing sector. I’m concerned that we’re going to see an increase in the number of people on social assistance. We really need the government to turn its attention to those needs and address those social needs so that people can participate fully in our community. I think that’s so critical.

The Chair: Thank you for your presentation this morning.

Ms. Overholt: Thank you very much.

1110

ONTARIO AGENCIES SUPPORTING INDIVIDUALS WITH SPECIAL NEEDS

The Chair: I now call on Ontario Agencies Supporting Individuals with Special Needs to come forward. Good morning, gentlemen. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I’ll give you a warning when we’re at the nine-minute mark, if that’s of any help. I would ask you to identify yourselves for the purposes of our recording Hansard. You may begin.

Mr. Gerald Sutton: Thank you, Mr. Chairman. We appreciate the opportunity of being here. My name is Gerald Sutton. I’m president of OASIS, and I have with me John Bedell, who is executive director for the Woodstock association and treasurer of OASIS, and Andy Rotsma, who is executive director of the Oakville association.

What I’d like to do is tell you a little bit about OASIS and the reasons why we have some problems and why we’re here today. I realize that, like an Egyptian mummy, we are pressed for time.

OASIS is an acronym for Ontario Agencies Supporting Individuals with Special Needs. We have 126 members around the province. Our members have a budget of about \$700 million, which is financed largely by the Ministry of Community and Social Services. We support about 35,000 people with special needs and we have about 25,000 employees. We operate with no head office, no staff. Everything is done over the Internet, and we have a number of special committees and volunteers who work very hard to support the agencies. We try to make our agencies as effective as they possibly can be and we give an operational support program whereby we transfer good ideas from one agency to another. We run seminars on labour relations. Every two years, we conduct a salary survey for our members, so everybody knows where they stand in relation to others.

I think our activity is very effective because it is all done over the Internet and communication is instantaneous. As an example, prior to every board meeting we

have a telephone committee that contacts all of our members to find out if there are any issues they wish to be brought to our board meetings, which are held six times a year. If there are, they are discussed and then reports are made back.

Our problems really started in the 1990s when the government reduced its funding by 8% and in ensuing years made very little, if any, increase in our allowances. Subsequently, there has been in the last year or two some relaxation of that and we’ve had some increased funding from the ministry. But the result of that cutback has been predictable. The wages that we give to our employees have fallen about 25% behind what they can get in comparable activities elsewhere. Our ability to expand our operations has been limited and, in consequence, waiting lists of some magnitude have built up.

In the region of Halton alone, where we serve a little over 1,000 people with disabilities, there is a waiting list of over 1,000, almost a 1 to 1 ratio. Some of these people who have had their children at home are getting older themselves. They’re concerned about where they go, what’s going to happen, and there are some very desperate situations out there.

I’d like to turn it over to the treasurer of OASIS to tell you something about the needs that we’re looking at and why we need this additional funding.

Mr. John Bedell: Good morning. Thank you for this opportunity to meet some people yet again. Good to see you.

The developmental services sector of the Ministry of Community and Social Services is going through a transformation process and we’re almost at a crossroads within that. As the changes are made to a more individualized model of funding, there is a need to have a strong, viable agency sector that can provide to families and individuals the services they need. What we’re finding is that there are individuals with increasingly complex needs, not only those currently receiving supports, but those who are returning from the institutions. Young people, we’re finding, have particularly complex needs that don’t fit into the box as people usually reflect upon persons with developmental disabilities. As agencies, we have to respond to those pressures, and our response is limited, limited in the extent that residential services are almost non-existent. Someone has to pass away before there is a vacancy. People have to wait several years in order to get the services that they require. Individuals are living at home with aging parents and struggling.

Our salaries are, as has been said, 25% below comparatives. In the school board, for example, an individual could work the 10 months, have the two summer months off and earn considerably more than they could doing somewhat similar work in the developmental services sector, and only have to work Monday to Friday and not have to work evenings and weekends. And yet, there are expectations upon agencies that appropriate supports are provided for individuals.

We’ve heard about the colleges cancelling DSW programs. A study showed that only 58 out of 461 DSW

students from a couple of years ago are in the field, so even if people do sign up, they will find jobs elsewhere. We're having to hire untrained workers and seek to do our best to train them to a reasonable standard of expectations that we expect, let alone that the ministry expects.

So what can we do about this scenario? For the last 48 years at Woodstock, we have been funded on a year-to-year basis. We'd like the idea of some multi-year funding, some far-reaching thoughts as to how this sector and individual organizations can plan for some funding ongoing. This would stabilize existing services and provide some increased resources for some innovation. All the funding that has come down comes down in silos with an expectation that people are supported in this matter, in a box. People don't live in boxes. We need the opportunity to be creative and to support people across their range of needs. There needs to be an ongoing commitment for sustained funding in the developmental services sector. We're looking for an immediate increase of \$200 million to this sector to stabilize and rebuild the current infrastructure so that when families who receive individualized funding knock at our door, we're able to provide the services for which they have the money.

We want to harmonize some of the services and supports with a collaboration between ministries. The Ministry of Health and Long-Term Care has a very important role to play with regard to those people who have a dual diagnosis and those people who become ill; the Ministry of Children and Youth Services to those with autism. The Ministry of the Attorney General and the justice system also have a role to play, as individuals come into contact, unfortunately, with that ministry also.

We need the opportunity to be innovative as we look to provide supports to individuals and work with them, their families and their friends in some kind of creative and innovative way to provide the supports that they need. It can be done. We know that \$200 million is a lot of money. We acknowledge that \$276 million has been put into the system in the last little while. But of that, over \$100 million was one-time capital money. And of that, just \$50 million came to agencies over the last few years, soaked up in its legislative requirements of pay equity and increases through collective agreements. There were increases for special services at home and passport funding, but all of that individualized funding is dependent upon having people available to provide the supports and services necessary for individuals—so, long-term, multi-year funding with an immediate increase of \$200 million, please.

1120

The Chair: Thank you. This round of questioning will go to the official opposition. Mr. Barrett.

Mr. Barrett: I wish to thank OASIS for testifying on behalf of the 35,000 people you assist. Certainly as MPPs we're aware of the waiting lists and the difficulty of people and their parents and helpers to access help and, in a sense, to work through the myriad of agencies. There are over 124, I guess, represented here.

Mr. Sutton: That's up to 126 now.

Mr. Barrett: And I know there are some in my area that aren't on this list. I imagine that this represents a fraction of all the various agencies across the province of Ontario. We also know that people working in these agencies are, on average, paid less than many other services, even though they have the same professional qualifications.

You make mention of boxes. I think of a single parent of a 15-year-old whom I met with very recently. Over the 15 years this woman has had a heck of time working with all of these different agencies. She has been working with something like 60 different professionals. She works with case managers from different agencies and finds that she has to be the case manager for the case managers. She has identified lack of co-operation, coordination. Perhaps this is a localized issue.

Then you've listed three ministries here; you don't have the Ministry of Education on the list. Many people are in the school system, which opens up a whole other issue of wait times and applying in the winter for a service, being promised something in September and then it's Christmas and then there are more meetings and then another school year is lost. We know that much of the focus can be addressed through funding, but I just wondered if you would comment on any innovation or opportunities there to better enable the professionals, the agencies, the ministries to work together a little better. Any comments on that?

Mr. Sutton: Yes. One of the innovations in the last couple of years has been central points of access. That is designed to prevent what the family you mentioned had to go through. There's just one central point of access that analyzes the problem and in due course, under the new transformation program, the individual will be assessed and a program developed for the benefit of that individual.

The problem basically has been that there aren't enough openings available because we haven't been able to expand. With regard to the school system, as you know, they take the children up to age 18. We, as agencies, take them from 21. There's a three-year gap in there. The passport program was designed to overcome that. We think it's another step in the right direction. Whether the funding is adequate, though, for that is another matter. The funding tends to be direct funding to the family and there have been some problems with that.

Essentially, I think those two programs are helpful. Are there any comments you want to make, Andy?

Mr. Bedell: I'll make a comment if I may, Mr. Hudak. I think it comes down to attitude.

Mr. Barrett: Sorry; Barrett. We have the wrong name tags.

Mr. Bedell: Sorry, Mr. Barrett. I don't know; my vision.

I think it comes down to attitude. We are immersed in providing supports to people with developmental disability. For the education system, it's a bit of an add-on, and a legislative requirement that support is provided. If

there are opportunities for that support not to be provided, then my experience has been that school boards will take it, in the same way as when it comes down to hospitals in the Ministry of Health. If there is a way in which support cannot be provided, that will happen too, or extra support is required from our organization in order to assist the Ministry of Health. This is not a collaborative effort in providing supports to some of the most vulnerable within our society; this is the Ministry of Community and Social Services carrying virtually all of the weight in doing this. It has struggled. The ministry, under all the colours of political parties, has struggled to engage other ministries in a collaborative approach to supporting people with all of their needs, whether it's education, health or living generally.

Mr. Andy Rotsma: I think the only thing I would add to that is that the issue you described certainly does happen in different parts across the province, but there are also examples where agencies have worked very well together and I think that's one of the reasons why OASIS is very supportive of the transformation process as well. It really does encourage families having one particular point of access so they only have to tell their stories once and the agencies work together.

The Ministry of Education is a wonderful example, where we definitely want to work more closely with the ministry, but again, there seems to be such a difference in how that ministry is funded in comparison to ours. Just to give you an idea, a child who is getting support in a classroom in many situations will have a one-to-one worker or, in some unique situations, a two-to-one or even a three-to-one. Yet when that person graduates from the school system at the age of 21, there's an expectation that our sector is required to support that same individual and sometimes we're lucky if we have one staff to support four individuals who have unique needs like that. In many situations, the level of support is one staff for 15 individuals. So we really do need to see some changes in those areas.

The Chair: Thank you for your presentation before the committee. I want to thank all the presenters this morning for being so prompt. Your being here early has helped the committee very much. I don't recall the attendance being so prompt in quite some time.

For the committee, lunch is in the Lasalle Room. It's down the hall and on the right. Lunch will be served at 11:45. We are adjourned until 1 o'clock.

The committee recessed from 1128 to 1301.

JORDAN KATZ

The Chair: The standing committee on finance and economic affairs will now come to order. Our first presentation this afternoon is from Jordan Katz, if you'd please come forward. Good afternoon. I did note that you were here this morning, but I feel compelled to tell you that you have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I

would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Jordan Katz: All right, very good. Thank you, Pat. My name is Jordan Katz and I have been a Windsor resident almost all of my life. I grew up here, I went to school here and have worked in the hospitality industry here in the casino as a pit manager and as a chef. Most recently, I've been working with mychoice.ca, an online smokers' rights association. I am a non-smoker and I don't advocate smoking. I believe that smoking is a dangerous adult activity that can cause health problems. I also believe in freedom of choice and personal responsibility. I believe smokers deserve respect and there needs to be some mutual accommodation in this great smoking debate.

I am presenting to this committee today because of the smoking ban and its effect on Windsor. When this year's provincial budget is being prepared, tough questions need to be asked: Why is the smoking ban causing losses not just for the casino but also for bingos, the charities that rely on them for core funding—many of which are now closing or cutting programs—and for bars? Where is the money going to come from to replace the services that charities are not able to provide; the jobs that employers can no longer provide; the businesses that are going under; the government revenues that help keep overall taxes down? What government programs are not being funded because of revenues lost by the smoking ban's more extreme measures? What is it being forced to cut? What can be done to keep a smoke-free Ontario law that protects the non-smoking public but allows choices for smokers and those who rely on them?

Economically, the ban has had disastrous results for my home town. I can say this because I have seen first-hand what has happened to my colleagues and friends in the hospitality industry. I hear a lot in my job as mychoice.ca representative in Windsor, where we have more than 1,000 members. These are people who've taken the time to sign up and take out memberships. I've heard their stories, I've heard their complaints; now I'm watching some of them look for new jobs.

Before the smoking ban, many were fearful they'd lose their jobs and livelihoods; mychoice shared their fears. It obtained freedom of information reports from the Ministry of Economic Development and Trade, which warned that the provincial gaming industry in Ontario could lose up to \$500 million as a result of the ban. The government suppressed these reports until after it had passed its law in its entirety. It ignored them, then denied there was a serious problem.

Since the ban came into effect, however, the Windsor casino has laid off more than 300 people, and it could get worse. Last September, Duncan Brown, chief executive of the Ontario Lottery and Gaming Corp., said that profits at Ontario's three border-area casinos will be slashed almost in half over a three-year period. Mr. Brown announced that the two Niagara casinos, which reaped \$136.2 million net profit in 2005, are expected to fall to \$32.8 million profit in 2008. Profit at Casino

Windsor will drop to \$25.2 million, down from \$101 million over the same period.

Last November 22, financial results revealed that revenue at Casino Windsor and the slots at Windsor Raceway plunged after Ontario's sweeping ban on smoking came into force. Revenue at the casino plummeted 33.8% between July and September compared to the same period last year. At the raceway, slot machine revenue fell 19%. Officials at Casino Windsor and the Ontario Lottery and Gaming Corp., the provincial agency which oversees gambling, blamed the smoking ban in large part. Meanwhile, according to a story in the Windsor Star last week, revenues at Detroit's casinos increased an average 6.1% last year.

A number of local charity bingos have either closed or reduced the number of sessions. The charities that rely on bingos are closing down or downsizing. The city of Windsor's own bingo licensing stats show a massive drop in licence fees and in revenues for charities.

Smokers are not permitted to have their own bars or bingos, not even indoor or outdoor smoking rooms just for them. Even a small building overhang is considered to constitute an illegal patio for smoking. Makeshift shelters of plywood are banned; owners are facing fines if they build them. So what is happening? Smokers are staying at home. Smokers in Detroit are not coming over here to the casinos or restaurants. The bars and bingos are left trying to figure out how to lure their best customers back. But they've been stymied by the strict regulations about smoking shelters.

The government knows that its ban is driving away smokers. It knows because its casino revenues are plunging. Our members have told us loud and clear since we formed in late 2004 that total smoking bans led them to stay at home more and to spend less time and money when they do go out. This should not have come as a surprise to the government. As we only discovered belatedly through the Freedom of Information Act, long after the new provincial law was passed, the government's own experts warned it that the experience in other jurisdictions, certainly when it came to casino patrons, was that smokers stayed away in droves and spent less when they did go out. The proof of the pudding is in the casino revenue figures I have already mentioned. And if the casinos are hurting, it cannot be disputed that others are too.

In November, mychoice.ca sponsored a day of hearings in Windsor to hear from those affected by the ban. Anti-smoking groups were invited to address the issues and contribute solutions to the problems that clearly exist, but none accepted. We did, however, hear from smokers, store owners, bingos, charities, bar owners and others. The hearings were chaired by two Windsor city councillors, Ron Jones and Alan Halberstadt. In every case, the presenters spoke of huge revenue losses as smokers stayed away and the total lack of help from the government. In some cases, they spoke of overzealous law enforcement. One charity, which you heard from this morning, the Windsor Family Forum, told how it had to

close its doors after its bingo revenues evaporated. Cigar store owners told how they are living off of savings and credit lines to stay open because of laws that prevent them from even having signs outside to let customers know they sell cigars.

I do not intend to put words into their mouths here today. The presentations were recorded and have been transcribed. I am presenting this transcription here to you today so that you can read what they had to say in their own words. When you read their words—and I hope you will—remember that the Casino Windsor profits fell by a third in just the first three months after the smoking ban came into force. Ask yourself if it is reasonable of the government to pretend that no one else is really hurting when it knows first-hand the impacts its law is having.

There is a simple fact to be remembered here: Smokers will not go where they are not welcome. They will stay at home, visit with friends or cross the border to find smoker-friendly establishments. This does not mean we should return to the "smoke anywhere" days; not at all. It does not mean the Smoke-Free Ontario Act should be scrapped. It does mean we need to rethink this experiment in social engineering, which has taken us beyond protecting the general public by providing smoke-free places and into the realm of trying to force people to quit smoking by removing their rights to have any places of their own to smoke without bothering others.

It is clearly having what one can only presume were unintended, though foreseeable, consequences. Denying smokers their own clubs, designated bars, separately enclosed and ventilated smoking rooms and other facilities where they can go without bothering non-smokers is hurting smokers, hurting charities and hurting businesses. It is also hurting taxpayers, not only through lost government revenues from casinos, lost jobs and lost businesses, but from the loss of charities and the desperately needed services they provide.

Yes, it is a health issue, but it is also a budget issue—everything is. If this is not the case, the government would ban all fossil fuel cars, because smog kills many times more people each year than even the wildest guesstimates attributed to second-hand smoke. The government would close down all workplaces and public places containing lead or asbestos, instead of setting levels at which it allows people to be exposed to these lethal substances; the government would ban underground parking garages, because the fumes that fill them are, of course, poisonous.

But it does none of these things. It balances health issues with evidence and with economic realities and tries to come up with a balance. Why should the legal act of smoking be any different?

1310

The Chair: This round of questioning will go to the NDP and Mr. Prue.

Mr. Prue: I listened with rapt attention, but have you had any indication from this government, from the Minister of Health, from the Minister of Finance, that they will listen to anything that you've said here today?

Mr. Jordan Katz: I've not spoken to either minister, but indications so far seem to be that the ministers are very determined to stay on their course—until last week when they, of course, allowed exceptions for casinos across the province. That seemed to contradict their own previous statements.

Mr. Prue: Is last week's statement going to resolve the difficulty in Casino Windsor or any casino where you have to go outside to a separate building?

Mr. Jordan Katz: I don't know. Perhaps you should speak to the casinos about that.

Mr. Prue: Those would be my questions.

The Chair: Thank you for your presentation before the committee.

MYCHOICE.CA

The Chair: I call on mychoice.ca to come forward. Good afternoon. You have 10 minutes for your presentation; there may be up to five minutes of questioning following that. Please identify yourself for the purposes of our recording Hansard.

Ms. Nancy Daigneault: Good afternoon. My name is Nancy Daigneault. I'm here today as president of mychoice.ca, which represents more than 41,000 individuals who have joined our group in the 28 months since we have existed.

Mychoice.ca is an online smokers' rights association and website dedicated to giving adult smokers a say in tobacco policy. Its goal is not to turn back the clock, but rather to restore balance and civility to the smoking debate.

We do survive on funding from the tobacco industry. There was little choice, as smokers' tax dollars are used only to fund anti-smoking groups. Mychoice.ca, however, is an independent, registered non-profit organization and represents its members, not the industry or any other group.

All of our members are individual people, not other associations or companies. We are not a coalition. Of our more than 41,000 members across Canada, 24,000 are Ontario residents. We have not faded away since the new province-wide smoking ban came into effect in Ontario on May 31. In fact, our membership has soared by one third.

The first message I have to relay to this committee today concerns taxation. I was not sure that my prepared comments today would hold up, because last year and in 2005, the provincial finance minister imposed surprise tax hikes on smokers right in the middle of the pre-budget consultations. Perhaps this year these consultations will actually lead to the submissions being considered before tax measures are announced.

The message on taxation is not a new one, but it is a very real one. Quite simply, it is that smokers are tired of being treated as cash cows. Federal and provincial taxes currently account for an average 70% of the cost of cigarettes. They generate combined federal and provincial government revenues of \$9 billion a year, which

is more than twice the \$4.5 billion that Health Canada says smoking costs the health care system.

Ontario smokers pay at least \$2.5 billion a year in tobacco taxes alone to the two levels of government which fund health care in this province.

We're all aware of the argument that higher taxes reduce smoking rates—and to some degree, this may be true—but we also know that higher taxes are also seen as an easy revenue grab. How else to explain the doubling of tax revenues so far this decade during a period when smoking rates have been declining? Indeed, anti-smoking groups openly admit that part of their job is to de-normalize smoking to make it easier for governments to use tobacco taxes to raise revenues.

Let me be clear: I'm not here today to argue against smokers paying their way, but there has to be a balance. With four tax hikes in its first 30 months in office, this government moved quickly to increase its revenues from smokers dramatically. It has not, by the way, kept its election promise, though, to use those tax hikes to help smokers pay for the high cost of cessation products.

By now, the government surely has to be concerned that its taxation policies are having negative consequences—everyone else is. The police and other law enforcement agencies, and even health groups and anti-smoking experts, concede that the sale and consumption of illicit cigarettes account for about 25% to 30% of sales in Ontario. It may be difficult for the government to admit this is a problem. After all, it promised it could reduce tobacco consumption by 20% in its first term.

Last fall, Health Promotion Minister Jim Watson announced that consumption has already fallen by nearly 20% with one year still to go in the government's term. It was a bit misleading, though. As I am sure every member of this committee knows, tobacco consumption rates are calculated on the sale of legal tobacco products, which are tracked by the government. These sales, of course, do not include the sales of contraband, counterfeit and other illicit products such as illegal produced or sold native brands. So if, as the police and even some anti-smoking groups are now agreeing, 25% to 30% of sales are illegal, this means that the consumption rates the government is citing are 75% to 70% of the actual tobacco consumption rate. It is a matter of simple math. Even the RCMP just recently admitted that contraband actually has increased tenfold in the last four to five years. Surely it is irresponsible to try to dismiss the evidence and sweep the facts under the table.

We all know what happened in the early 1990s, when taxes reached record highs and the illegal trade in Ontario and Quebec accounted for 40% to 60% of sales. Taxes had to be drastically cut to undermine the organized crime gangs, remove the demand for their illegal products and place the governments, once again, in a position to enforce laws and policies—particularly against youth smoking—through the legitimate tobacco trade.

If a repeat situation is to be avoided, some balance needs to be restored to the taxation policy. Smokers are now paying higher taxes on their purchases than during

the last crisis. They are falsely accused of being a drain on health care when, in fact, their taxes subsidize it. They are subjected to offensive government ads that compare them, if I may quote from one TV ad recently, to “dog crap.” They are effectively told to go hide in their homes if they want to smoke. This is not reasonable, it is not sensible and it is not good policy. Smokers deserve respect and fair taxation. Taxes are already too high and they should not go higher.

Let me finish this point by saying that more than 90% of our members, including those who want to quit and even some non-smokers, see the government as treating smokers unfairly as cash cows with no rights.

The second point I wish to address today is one our members brought to life last week. The government has exempted itself from its own smoking ban rules, the rules that are enforced on everyone else and are causing hardship for everyone else. It’s allowing casinos to keep covered, warm smoking shelters, and it’s using taxpayers’ money to build state-of-the-art shelters, complete with roofs and sophisticated heating systems. According to the Windsor Star, \$2.3 million has been given to the casino here to build new ones.

I’m impressed that the government recognized that smokers deserve to be treated with respect in the winter-time, but I’m appalled that the government is spending \$2.3 million on these shelters, which are illegal, while allowing everyone else to be punished. The act and regulations make it clear that these facilities are illegal, despite the interpretation claims being made by the government. Roofs are not permitted, except in cases of employees’ smoking shelters. There’s no exemption for government casinos. In fact, when the government introduced its bill, the one-size-fits-all approach is what it highlighted. “This will create a level playing field,” it claimed. The government is clearly breaking its own law and commitments.

Now, allow me to read the relevant section from the regulations, section 13, where it states which areas are allowed to have outdoor smoking shelters. First of all, it says, “The place or area has a roof.

“Food or drink is served or sold or offered for consumption in the place or area, or the place or area is part of or operated in conjunction with a place or area where food or drink is served or sold or offered.”

For smoking shelters, section 14—this is the section which talks about shelters being prohibited—it states that they are prohibited if “the public is ordinarily invited or permitted access” inside or “the place or area has a roof and more than two walls.”

Where in those regulations does it state that the gaming industry can be treated differently? It doesn’t. It does not state, as has been claimed by the health ministry, that “Smoking shelters at stand-alone restaurants are not permitted and casinos are not stand-alone restaurants.” It doesn’t state, as was claimed by the OLG, that the casino shelters are okay because they are not adjacent to restaurants or bar areas in the casinos. I’ll read it to you again, if I may. It states that they are not allowed if

“the place or area is part of or operated in conjunction with a place or area where food or drink is served or sold or offered.”

1320

Food and drink are offered, sold and served in conjunction with casinos. More recently, the health promotion minister said the law allows outdoor smoking shelters. But the minister’s own website states that outdoor smoking shelters, a roof and two walls, can be provided by employers for employees, period; not patrons—employees. I have a copy of the page from the website and I can leave it with you.

The good news is that by building these shelters the government has demonstrated that it recognizes steps have to be taken to prevent losses in revenues resulting from smokers being driven away. Unfortunately, it is doing so by breaking its own rules to give itself a break. It has created an unlevel playing field.

The regulations should be changed to allow smokers to be given the same facilities everywhere, and for those businesses that choose to provide them to be allowed to do so. Others should not be threatened with huge fines and forced to remove simple plywood coverings while the casino down the road is allowed to spend \$2.3 million on fancy covered shelters.

Liz Burns, a Mychoice.ca member and owner of the Highway Tavern here in Windsor, who is here today, had built a small plywood shelter for her smoking clientele in her parking lot after seeing the casino shelters. No food or drinks were being served in this simple shelter. The only people going there were smokers. “Well, too bad,” she was told. It would have to come down or she’d face a \$4,000 fine.

The regulations have to be changed to recognize what the government has already recognized is the case with its casinos: Smokers are staying away and non-smokers are not replacing them. Businesses that rely on smokers are suffering. Amendments are needed to allow for choice and reasonable accommodation for everyone, not just the casinos and smokers who go there. It is a matter of fairness and common sense. And given the financial impacts being suffered, it is clearly a budget-related issue. Thank you.

The Chair: Thank you for your presentation. We’ll return to our normal rotation now and the official opposition.

Mr. Tim Hudak (Erie–Lincoln): Chair, time for—

The Chair: Five minutes.

Mr. Hudak: Nancy, it’s nice to see you. Thank you very much for taking the time to travel here to Windsor and for your presentation. You made two excellent points. I’ll start with the latter one.

I think the outrage has been expressed by taxpayers, those in the hospitality sector and commentators in the media about the government’s hypocrisy when it comes to the Taj Mahal of smoking rooms at Casino Windsor when it’s not allowed for the hospitality sector. I’ll bet if you walked through most of the government’s announcements about casinos in the past, they talk about them as

being part of the hospitality industry. Now suddenly it's strictly about gaming but previously, when it was convenient to do so, it was hospitality.

Tell us, what's been the drop-off for a typical business here in Windsor from a few years ago?

Ms. Daigneault: It has been dramatic. It depends on the particular business and it depends on the smoking clientele. Some of them are just barely making ends meet and some haven't; some have closed. It can be anywhere from 20% to 40%. That's why the hospitality industry—the small bars, the small restaurants—is doing everything it can to try to attract smokers back to their businesses by erecting these simple plywood shelters, which they are now being told are not permitted even though the casino is clearly being permitted to build these things. So it can be anywhere from 40%, and some of them are not even around anymore to tell us about these things. Many of them have laid off staff or have just closed up shop entirely.

Mr. Hudak: You paid very close attention, I recall, when the Smoke-Free Ontario Act was going through the Legislature. How many Liberal MPPs or ministers talked about the casino loophole when the regulation of the legislation was being debated?

Ms. Daigneault: None. There was no talk.

Mr. Hudak: Why would that be the case?

Ms. Daigneault: It's interesting because the government last week, when they came out to talk about this issue to defend it, talked about casinos being different because they don't sell food and drink in the same way; they're not stand-alone restaurants. That was the word they used: "stand-alone" restaurant. But nowhere in the act does it state—and I read the regulations quite carefully to the committee today—or talk about stand-alone restaurants or making the bulk of your revenue from food and drink. It doesn't talk anything about that. It lumps everybody in together: the casinos, the billiard halls, the bingos, bars and restaurants; everyone is lumped together. The only places that are permitted to build smoking shelters, and it clearly states in section 14 of the act: Smoking shelters are permitted for employers to build them for employees only. No members of the public are permitted in there, which is why it was so surprising last week, because, as you had mentioned, Mr. Hudak, there was no talk about this loophole when the government introduced this bill. They talked about a level playing field, that it would be decided once and for all and that everybody would be treated equally.

Mr. Hudak: There was considerable debate about the impact of the act on the hospitality sector. There was considerable debate about the impact on the casinos as part of that hospitality sector. So I think it was sneaky, if not outright dishonest, not to mention that this loophole was secretly being crafted behind closed doors. No wonder taxpayers are outraged.

The first issue you covered was about the increase in contraband tobacco products. I think we have all heard increasingly the stories about the operator who is selling cigarettes out of the back of his or her trunk. Is that just urban legend or has that actually become a—

Ms. Daigneault: No, it is becoming fact. Even the RCMP recently stated that contraband activity has increased tenfold in the last four or five years. The thing that's so concerning about this—and I know the government has stated that it's concerned about youth smoking, and prohibiting youth from gaining access to tobacco products, and that's a laudable goal. The concern with an increase in contraband activity and illicit activity is that these operators who are selling these illicit products, products that are counterfeit and contraband, is that they don't ask for ID. You can go to any shop that you know might be selling this contraband and you can be 15 years old and purchase tobacco products, which is a concern, because then there's no real regulation governing who is purchasing these products.

Mr. Hudak: How are we doing on time?

The Chair: One minute.

Mr. Hudak: What is your advice in terms of combating this growing problem with illegal trade in tobacco products?

Ms. Daigneault: Number one, taxes should not be increased again, because if they are increased again, you're going to hit a wall where you'll see what happened in the early 1990s with the smuggling. In fact, we're almost there now, but it will blow over to even greater degrees and the organized crime gangs will step in. They're there now, but it will be to an even greater degree and you'll have a lot of problems. Then the provincial treasury will even lose money because more people will be purchasing their products from illegal operators.

The Chair: Thank you for your presentation this afternoon.

CLEAN AFFORDABLE ENERGY ALLIANCE

The Chair: Now I would call on the Clean Affordable Energy Alliance to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Ms. Carol Chudy: Good afternoon. My name is Carol Chudy. I am co-chair of the Lambton branch of the Clean Affordable Energy Alliance. As our name suggests, we are an energy ratepayers' organization and we are very concerned with power that is produced from sources that are environmentally acceptable, but which do not jeopardize the economic stability or ratepayer affordability. We have spent considerable time researching credible energy and environmental information. We have closely followed provincial power restructuring proceedings over the past two years. We have been very involved with the OPA, both in workshop attendance and submissions to the power planning process, as well as trying to be involved in proceedings such as this.

Electricity impacts every aspect of life and work in Ontario. Every product and service utilizes electricity, so the impact of higher costs has a compound and a domino effect. Higher energy rates hurt those on lower incomes,

reduce consumer spending and impact the ability of business and industry to remain competitive in the global market.

The Ministry of Finance has indicated that today's increased globalization means that Ontario faces a more challenging and competitive environment than ever before. Reliable electricity supply and price stability, which keep Ontario's economy competitive and benefit all consumers, are central to the government's plan. According to the Ontario Power Authority, "An increase in electricity prices may have adverse macroeconomic effects on the provincial economy in terms of employment losses and may hinder the effectiveness of Ontario businesses that compete outside of the province."

The Ontario economy has slowed. We don't have to say that here. According to the Ministry of Finance, that is due in part to higher energy rates. Likewise, higher energy costs are deemed a risk to any hoped-for turnaround in the economic outlook, impacting corporate return and discouraging new investment in our province.

"Manufacturing is the single largest sector of the economy," and for every dollar invested there, there is a \$3.05 spinoff in economic activity. Unfortunately, that sector is now being described as stagnating and in recession, with large job losses.

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The Ministry of Finance also notes that Ontario has the largest agricultural sector of any province. The government recognizes that Ontario farmers face challenges from a variety of external factors. According to the Ontario Federation of Agriculture, "Without reasonably priced power the production and processing of food in Ontario would be uncompetitive and likely extinct. Agriculture is Ontario's second-largest industry. Reliable and reasonably priced power is essential to its sustainability." Those are just two examples of the impact to the industries and the farming community, businesses that are the backbone of our economy. That's just a sample from numerous reports and submissions that we have read and researched, and we are very concerned that current and projected energy spending is a guarantee of significant increase in power rates that will affect every sector of our economy.

We're here today to highlight three very specific concerns. You have a lot of material. We do hope that you will research and review what we have put before you. We have much more that is available on our website.

The first area of concern is the costs associated with the administration of electricity generation, which are now mushrooming, with less efficiency. We now have five agencies with overlapping functions that now cost \$3.5 billion in administrative costs. The OPA costs have quadrupled since its inception in 2005. The associated costs of electricity production that are not obtained through energy rates will be passed on to Ontario taxpayers. There doesn't seem to be any internal accountability within the Ministry of Energy.

Our second area of concern is the rising power costs. The OPA is currently in the process of developing a plan

for power for the next 20 years. Although the OPA acknowledges that electricity plays an important role in our economic health and also that the plans and decisions that we make now will have a profound impact for many decades to come, the cost analysis provided by the OPA has been very sketchy, incomplete and unreliable. The OPA reports that electricity costs will only rise 15% over 20 years. We believe, from the information provided, that that's simply not possible. A year ago, they were indicating that the capital costs alone would be \$3.5 billion per year, plus expenses for higher operating and fuel costs. That's an additional 25% to 30% per year on energy rates. Some 80% of the generating resources that we now have are slated to be replaced or refurbished—80%, and of each of those new resources, they will be at least 30% and as much as 150% higher. Significant new and upgraded transmission requirements will be at least \$8 billion. So we believe it's impossible that over a 15-year period, energy rates will rise only 15%.

The third area of concern for us is the removal of coal-fired generation from the power supply mix and the subsequent replacement with natural gas. The Minister of Energy directive to the OPA indicates that coal-fired generation in Ontario is to be replaced with cleaner sources in the earliest practical time frame. According to the IESO, coal replacement resources have to closely resemble what is being taken out, i.e., load following, load balancing and quick despatch abilities. The only close substitute for coal-powered generation is natural gas. Though the OPA acknowledges that there are considerable risks associated with price, volatility and supply of natural gas, the plan includes the installation of an additional 7,000 megawatts of natural-gas-fired generation. That's double the capacity, but they are also anticipating triple the power from those facilities. This is going to cost Ontario ratepayers billions of dollars, billions per year, for what gain? Less than 1% in air pollution emissions and less than 1% of Canadian greenhouse gas emissions. That's less than 0.002% of global manmade greenhouse gas emissions, for billions of dollars.

Coal contributes, according to Ministry of the Environment documentation, less than 7% to Ontario air pollution—and less than 1% to Toronto's smog days—which can be reduced to 1%, to within natural gas emissions. That's in studies and reports, the latest being a University of Waterloo study done in May that was funded in part by the Ministry of the Environment, which says that with reduction technology—existing, available and cost-effective—emissions from coal plants and those from natural gas are indistinguishable.

In terms of greenhouse gases, Ontario coal plants contribute about 3% to the Canadian total; gas, at point of combustion, is about 53% of that. However, when you consider the life cycle, emissions of natural gas and methane are 23 times more potent. And when you consider what we can do to reduce coal emissions, it is a marginal difference.

Gas costs two to three times more, which will only increase. Natural Resources Canada indicates that gas

prices will rise by the middle of the next decade, by 2014, because the natural gas from the Alberta basin is depleting at a rapid rate, and that's where we get most of our gas.

The Chair: You have about a minute left.

Ms. Chudy: Thank you.

The additional storage that will be required for natural gas in Ontario, because it will be about the same amount as we consume now for our residential use, will cost billions in infrastructure. We have a lot of credible information in our reports, and we would ask you to review that. We believe that Ontario coal plants will be required past 2014, and we're asking that in the budget the amount be given now to upgrade those coal plants with the best available technology.

One final thing: The irony is that, according to the Ministry of Finance, imports from China "have risen by almost 90% over the last three years and are up over 17% so far this year." At present, China, which is exempt from Kyoto Protocol requirements, has greenhouse gas emissions that are staggering. They are to rise dramatically and are expected to be higher than the US by 2009, 10 years earlier than expected. However, we're going to close our coal plants for a marginal difference? We should be injecting that money into cleaning our coal plants and investing in our own industries in Ontario.

The Chair: Thank you. This next round of questioning will go to the NDP.

Mr. Prue: Thank you very much. I'm a little unfamiliar with your organization, the Clean Affordable Energy Alliance. You're obviously promoting coal. Are you funded by the coal industry?

Ms. Chudy: We are not. There are probably a dozen of us and we are all volunteers. I'm a stay-at-home housewife and mother, and I spend a good deal of my time researching.

Mr. Prue: You're advocating something, I think, that the government appears to be diametrically opposed to, from everything that I have heard in the Legislature—from the Minister of the Environment, from the Minister of Energy, from the Premier. Have you made these kinds of deputations before, and if so, what came of them?

Ms. Chudy: Actually, we made a presentation at Queen's Park in mid-November, and we met the same day with the Ministry of the Environment. We have met with the Ministry of Energy, with a senior policy adviser, and we have provided all of our information to the Ontario Power Authority. What we continue to be told is, "We don't make policy; we just have to follow it."

The Minister of Energy has made a policy that is not even based on studies or tests. I think we're seeing from the federal government level that there's an interest in clean coal technology—an existing technology—being used to clean up our coal plants. It is recognized not only federally but internationally. We're the only jurisdiction considering closing our coal plants.

Mr. Prue: When asked questions about clean coal, many times I've heard Minister Duncan say that there's no such thing as clean coal. Would you dispute what he says?

Ms. Chudy: I would dispute that, because the definition from the Ontario government seems to be emissions from natural gas. That seems to be the standard. And when you consider what is guaranteed, available and cost-effective emissions control technology for coal plants, the difference in emissions between natural gas and coal is negligible; it's within 1%. So our point is that for a 1% difference, we're going to implement hugely expensive natural gas, which is only expected to rise in cost, and we're going to close publicly owned, paid-for assets in order to save ourselves 1% in emissions.

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Mr. Prue: Some would argue that for the road ahead, it would be better not to either burn coal or natural gas but to conserve. I didn't see anything in your presentation about conserving energy and not using it, or using it more wisely. Is that something the government should be doing?

Ms. Chudy: No one can dispute that. I think it goes without saying that renewable energy and conservation have to form part of any plan. If it's done in such a way that it curbs excesses and abuses of power use, it definitely has to be a part of the plan. But if we're going to transition to a renewable future and away from fossil fuels, it doesn't make sense to transition to another fossil fuel, which is natural gas. Why not just keep the coal plants, clean them up and use that as our transition to future fuels?

The Chair: Thank you for your presentation.

ONTARIO GRAINS AND OILSEEDS

The Chair: I now call on Ontario Grains and Oilseeds to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to first identify yourself for the purposes of our recording Hansard.

Mr. Leo Guilbeault: My name is Leo Guilbeault. I'm the chairman of the Ontario grain and oilseed safety net committee in Ontario and also a provincial director with Ontario Soybean Growers.

I would like to thank you for your attention today. We're here on behalf of the agricultural industry in Ontario, specifically on behalf of grain and oilseed growers. For your information, grain and oilseed growers are growers of soybean, corn, wheat, canola, white bean, coloured bean and seed corn.

For years, we've been working with government and also lobbying government for a long-term support program that would give us stability in the agricultural industry. Over the years, we've been given ad hoc programs off and on as needed. That just doesn't work for most of agriculture. As much as the programs are appreciated, we need something that's more bankable, more long-term and more crop-specific.

For that reason, as an industry we've developed a risk management program. The risk management program is a price insurance-based program that was designed by a

panel of Ontario grain and oilseed farmers in the spring of 2005. We feel it's a responsible program to take to government.

First of all, the risk management program is a premium-based program, meaning that farmers would help pay for the program through an insurance premium. Acceptance into the program promotes management's issues with the farmers themselves, and it promotes the growers to take marketing courses and risk-management-type courses to improve the profitability on their farms. The RMP, or risk management program, will provide farmers with bankable, long-term stability that they can use to make smart business planning decisions. A long-term program like the RMP will prevent the grain and oilseed sector, or the farmers from that sector, from needing short-term emergency payments year after year, as we've been getting in the last little while.

On your Farmers Feed Cities handout—the little yellow card that we handed out—is our website, farmersfeedcities.com. Over the last year and a half, you've seen a lot of activity from the Farmers Feed Cities campaign. Basically, that's a slogan we've used to say that we supply food to the general public, that that's our job, and we take our job very seriously.

The problem with the economy in agriculture over the last while has been the trade subsidies coming from other countries. As you all know, the European Union and the United States subsidize their agricultural programs very heavily, and that puts us in a very unfair trade deficit when we try to compete on the world market. This is where we come up with the risk management program as more of a stability program in Ontario to help our grains and oilseeds sector.

In Ontario itself, we have 29,000 grains and oilseeds farmers who are asking for this risk management program in addition to the CAIS and production insurance programs that already exist. RMP would be a patch on the CAIS program. As you all have heard, the CAIS program doesn't work well for the grains and oilseeds sector. Its inability to deal with artificially depressed production and reference margins is plaguing the grains and oilseeds sector in Ontario.

We are asking the provincial government to annually calculate the damage caused to individual grains and oilseeds commodities on an ongoing basis, as it relates to foreign subsidies and tariffs. The collapse of the Doha round of the WTO negotiations further demonstrates the lack of ability of the WTO to resolve the trade injury issues.

Based on previous Agriculture and Agri-Food Canada projections, we estimate that these calculations could be about \$1.3 billion, to offset the subsidies on a national basis, Canada-wide, plus another \$1.2 billion to offset the tariffs per year on a national basis. These numbers could be updated and verified through the AAFC.

We are asking the Ontario government for their support and to provide their share of a fully funded risk management program. The province could take a lead to acknowledge the current economic disaster affecting Ontario grains and oilseeds producers.

Under the RMP program—there are always trade issues whenever you're looking at subsidy programs. We look at this as more of an insurance program. So under the WTO agreement, this would fall under an amber-type window, and with small changes to the RMP, it could fall under the blue program as far as support goes.

When we look at the ag industry in particular—and the previous speaker spoke of the ag industry—we realize that the provinces themselves cannot fund agricultural demands. But we are not asking the provinces to do it themselves. We realize that the federal government has a hand in playing there, so we've formed a coalition with other provinces, specifically Quebec. We're also lobbying the federal government to take an active role on the agricultural file.

Our proposal, again, is a production-based insurance model that would specifically address the shortcomings of the CAIS program. It's a flexible framework through which regional and commodity-specific diversities of the grains and oilseeds sector are accommodated. It's a realistic measure of yields and actual prices for that year.

The handout I provided to you shows you the breakdown in agriculture Canada-wide. In Ontario, as in Canada, agriculture is the second-largest industry, not too far behind the auto industry. So we're a significant player, as far as the economy goes, across Canada. In Ontario alone, it puts \$1.2 billion back into the economy.

The grains and oilseeds sector in Ontario itself produces about 14% of the total agricultural economy, and we employ over 21% of the farm operators in Ontario. It's a big, big business. It's a personal business to all of us. We all operate family farms. We derive our sole income from these farms.

We're not asking for direct subsidies. That's what we've been getting. Ad hoc payments do not work for our sector. We are asking for an insurance-based program, where we take part of that program, where we pay part premiums into that program. It's a shared program between the federal government, the Ontario government and the farmers themselves. It's bankable, it's long-term and it's commodity-specific, as we've been asking for all along.

What would trigger a payment on the risk management program would be, obviously, low prices. If we can't derive our income from the markets available to us, traded through the Chicago Board of Trade, as well as on a local basis, this is where the insurance program, RMP, would kick in. It's not any different than your home insurance, your car insurance. It would only kick in when you need it.

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Obviously we would prefer to never need it. We would rather derive our income through the market if the market gives it to us. That's beyond our control, what the market will give us, because of how we trade our commodities over the Chicago Board of Trade. Again, those prices are artificially depressed because of subsidies from other countries, as I said earlier. There's a big need for the risk management program, specifically in Ontario.

We have always asked the federal government, when we've looked at programs federally, for federal dollars but with provincial flexibility. By that, what we mean is that we want every province in Canada to be able to administer their programs on their own through a program that works for that specific province. In Quebec, we all know the ASRA program works very well for them. In Ontario, we're asking for the risk management program to be the delivery mechanism of programs in the future. Any federal dollars flowing down through would be administered through the province, through a risk management program and administered by Agricorp.

The nuts and bolts is that if we don't keep agriculture as a healthy industry in the future—you've got to think about it every day. You need agriculture every day, breakfast, lunch and dinner; we all need that. No matter where you work, what you do for a living, you all need to eat; we all need to eat. That's our job, to feed the people. Other benefits that we derive from agriculture: We heard the previous speaker talk about clean air and how we're going to help that. Agriculture plays a huge role there. If we look at what the ethanol industry has done, right now we're mandated to put 5% ethanol in the fuels, and that has benefits to the Clean Air Act and how that cleans up our dependency on petroleum-based products. We're seeing the same thing coming down through biodiesel initiatives. We're seeing the same thing coming down through poly oils. These are all grain and oilseed initiatives coming down through research that we have funded, as farmers—

The Chair: You have about a minute left.

Mr. Guilbeault: —to help to clean our environment, to help fund ourselves and to help our bottom line as far as agriculture goes.

To wrap it up: The average age of farmers right now in this country, and more specifically in this province, is about 60. They're retiring and they're saying, "I've done my job. It's somebody else's turn to do the job." The problem is that there is nobody else coming behind. There's no initiative. There's no reason for young kids to get into agriculture right now. There are more opportunities elsewhere. I have three children of my own and none of them is really looking at coming into agriculture. They've all helped me on my farm, as I helped my dad and my grandfather, as it's worked from generation down to generation, but I'm afraid we're going to lose the next generation. Once that next generation is lost, it's going to make a huge impact on agriculture in this province and in this country. So there has to be a serious look at how we're going to address the agricultural issues, and how we're going to fund and make sure we have a long-term agricultural policy in this country to keep our farms, and our farmers on the farm, where they belong, producing the food that we all need.

The Chair: Thank you. This next round goes to the government and Mrs. Mitchell.

Mrs. Carol Mitchell (Huron-Bruce): Thank you, Leo. I do appreciate your coming forward today to make a presentation to the standing committee.

I want to give you a further opportunity. First of all, I'm sure I'm not telling you this and that you've heard this many times already. You know the riding that I'm from.

Mr. Guilbeault: Yes.

Mrs. Mitchell: One of the things that has been very well received in my community is the negotiations on the risk management program. I did want to acknowledge that.

Mr. Guilbeault: Yes. That was part of our strategy as time went on. We set out the risk management program as a starting block, knowing that that's not where it's going to end up. Somewhere down the line we'll have a hybrid of it. We hope that's the path we're heading down.

Mrs. Mitchell: One of the things that I did want to emphasize, and I know that you do as well: I look at the prices on the rise that the cattlemen are calling now. What are we going to do in that respect, and how is that going to be offset when the feedstock is rising? What are your thoughts on that? Putting aside the risk management for a minute, where do you see that going?

Mr. Guilbeault: If you look at agriculture as a whole, the grain and oilseed industry is a feedstock for the livestock industry, absolutely, so it all comes down to cost versus expenses. How do you manage your costs? As a grain and oilseed industry we obviously like higher grain prices, and as a livestock industry they'd like to see lower grain prices because of their feedstock, so it's an ongoing battle and that's not a new one. That has been happening for years and years. But somewhere in the middle of that, there is a number that we both agree on where it's profitable for both sectors. That number fluctuates from year to year, as you know. We don't determine those numbers. The market determines those numbers. What we're asking for is stability in those numbers.

Mrs. Mitchell: Clearly, that's what the risk management program that you propose was doing: to stabilize and move towards—

Mr. Guilbeault: Yes, it would, and it would do it for both sides of the industry, the livestock and the grain and oilseed. We would know what our numbers would be and they would know a more aggregate number, where their number would be year in and year out.

Mrs. Mitchell: One of the comments that you made was about the aging of our farmers. What would you like to see come forward?

Mr. Guilbeault: Again, what I said was that we need a bankable long-term, commodity-specific program. That would give us some stability. What happens is that, when you sit down with your banker or when you sit down and do your books every year, you have to produce a cash flow like every other business does. Part of the program that we can't cash-flow is our market price because it fluctuates so much on the world market. Whenever we get a government program that comes along and it's an ad hoc program, it's not something that we can cash-flow. It's always a number that's floating in the air somewhere and you can't make a business decision on that.

That brings us back to the risk management program, where it would give us a bottom line figure on an insurance-premium-based program that we could cash-flow year in, year out. To me as a businessman, that makes a lot more sense than to try to pick a number out of the air every year.

Mrs. Mitchell: So it's moving more towards what I would call fixed commodity price, when you're taking the high and the low out of it, basically, and then that goes to the renewables. Do you see the renewables—the Clean Affordable Energy Alliance talked about agriculture's role in providing cleaner air. I want to give you the opportunity to expand on that. You talked about ethanol, but what about biodiesel? How do you see that coming forward?

Mr. Guilbeault: I'll use soybeans as an example. We grow about 3.2 million acres of soybeans in Ontario. If we look at what the opportunities are in biodiesel—and again, biodiesel is similar to ethanol. Ethanol is a corn alcohol injected into gasoline. Biodiesel is soybean oil or other into the diesel, which makes the diesel burn that much cleaner. Right now, with the initiatives and research we have going on, we have a possibility of chewing up about a third of Ontario's soybean crop through biodiesel poly oils, which are all petroleum-based industries. The poly oil industry, plastics and paraffin industries are using petroleum-based products for their products. Through research, those have all proven that we can use soybean oil as the base product, which is a renewable resource and is environmentally friendly, to achieve the same end product for the industry.

The Chair: Thank you for your presentation.

COMMUNITY LIVING TORONTO

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

Ms. Diana Spacca: Good afternoon. Thank you for accepting our request to present to you today. My name is Diana Spacca. I am the president of Community Living Toronto. Also presenting with me is our chief executive officer, Bruce Rivers.

For almost 60 years, Community Living Toronto has been a source of support for thousands of individuals who have an intellectual or developmental disability and their families. Our association was formed in 1948, when a group of parents came together to find alternatives to placing their children in an institution. They formed the Parents Council for Retarded Children and created the first community-based programs for children with a developmental disability. Still true to that grassroots vision, we have grown into one of the largest organizations in North America, supporting over 6,000 individuals and families in Toronto each year.

Our ever-changing and adapting range of supports and services focus on each individual's needs, goals and

aptitudes. People who have a developmental disability require some level of support their entire life. At Community Living Toronto we support individuals of all ages, from birth through their senior years.

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For some, basic living skills such as using the telephone, preparing meals, using public transportation, or even bathing and dressing, require support. For others who live a more independent lifestyle, we provide employment training, home support and access to education. Whatever their needs, our association provides accessible, community-based opportunities for people with a developmental disability to be part of our society.

As president of Community Living Toronto, I represent the collective voice of all who are part of our association—individuals who have a developmental disability, their families, a membership of almost a thousand people, over a thousand dedicated volunteers and over 1,200 full-time and part-time staff. On behalf of all these groups, I would first like to applaud your government for your work in the developmental services sector. Your commitment to close Ontario's remaining three institutions by 2009 is a truly great achievement. Their closure will give people who have spent most of their lives segregated from their family and community the right to live in the community and to be respected as valued individuals. We encourage you to remain committed to this endeavour.

Meaningful inclusion, even when most people think it is impossible, is what Community Living Toronto is about. To bring life to those words, I would like to ask Bruce Rivers to tell you about George.

Mr. Bruce Rivers: George is in his mid-forties. He moved to Huronia Regional Centre, which is an institution near Orillia, as a young child in 1972 because of his profound disabilities and the care he required on a constant basis. While there, he needed support to walk. He had grand mal seizures requiring daily injections of drugs to help control those seizures. He had to be restrained in bed at night to prevent him from falling and further injuring himself. Due to his mobility issues, he was rarely permitted to leave the institution. George was not someone who people saw as a candidate for living a full, meaningful life in the community.

But in September 2005 George moved out of Huronia into a home in Toronto supported by our association. As you might expect, special accommodations were made and financial support that followed him from the institution was required because he needed to live in a wheelchair-accessible home to accommodate his mobility issues. He also needed to live in a home that had 24-hour support from staff. In fact, two staff were required overnight to provide support and monitoring for George. A sensory stimulation room and an extra activity room were added to the house to create a safe, accessible environment, not only for George, but also for his housemates.

Has living in the community made a difference for George? The answer is, absolutely. The results have

surpassed everybody's expectations. His seizure activity has decreased dramatically. For someone who was previously non-communicative, he is now blowing kisses and smiling with his family, friends and staff. Remarkably, he attends a day program outside the group home for several hours five days a week. This, in spite of the fact that the staff in the institution had forecasted that he would require 24-hour care.

George attends social and recreational activities in the community. He takes day trips to Niagara Falls, Woodbine beach, Sibbald Point. He goes to the mall and musical performances. For someone who, according to the staff at the institution, had serious mobility, seizure and communication issues, George has done exceptionally well.

What about his family? What has having George living in Toronto, near to them, done for his parents and sister? When George lived at Huronia, his parents would take the bus to Orillia, as neither of them drives. Now they drop in at least once a week to visit George and have become part of the greater family at the home and at Community Living Toronto. George goes by Wheel-Trans to visit them, and they go to the mall and restaurants without staff support.

George has found peace of mind and a new level of fulfillment. Sure, he still has challenges ahead of him, but with the support of his family, friends and the staff at Community Living Toronto, he will continue to live a very full life in the community.

So when we hear about deinstitutionalization and transformation, and creating capacity within the developmental sector, remember George and remember what's possible. This could never have happened without the programs, supports, volunteers and quality staff available through Community Living Toronto as well as with the funding support of the provincial government. This is about one person's life. There are many more Georges and they are depending on all of us to act with conviction and help include and support them in their local communities.

Ms. Spacca: As we sit with you here today, there are 2,642 individuals waiting for various services and supports from Community Living Toronto. Clearly, the crisis has not subsided. In fact, with an aging population and immigration, the demands in the community are mounting.

Working together, we need to ensure that people who have a developmental disability receive the support they need. We must build on the positive momentum for change in the developmental services sector. We ask that you continue to support and increase your investment in transformation. In fact, we have analyzed the basic requirements to respond to these urgent service needs, and it is imperative that your government allocate an additional \$200 million to the 2007-08 provincial base budget.

This government must also think beyond the upcoming fiscal year to truly provide long-term sustainability and stability. This investment of \$200 million

should represent the first in a multi-year commitment. This will ensure a stronger, more responsive and stable non-profit service system.

Community Living Toronto has established the following major priorities for the upcoming year: (1) addressing the needs of senior parents of adult children who are on a long waiting list for support; (2) retaining and recruiting qualified staff; and (3) preparing our agency for a province-wide transformation of how services are delivered to people with a developmental disability.

Community Living Toronto believes that expanding choices for the people we serve will change their lives for the better.

With regard to transformation, we believe investing in the developmental services sector will help us to transform service delivery for people with a developmental disability and help people achieve greater independence, dignity and self-reliance. Gone will be the old days where a square peg is fit into a round hole. People with a developmental disability will be able to select supports that reflect their true needs and their own goals, choosing where they live and whom they live with, what they do during the day and pursuing activities that interest them. Transformation provides a great opportunity for this government to enact real change and true inclusion for people with developmental disabilities. Community Living Toronto, with its history of progressive service delivery, is well positioned to make transformation a reality. But we need to remind this government that success is inherently linked to our association's concerted effort and capacity as well as your increased and sustained investment.

With regard to our aging population, the media has told us that Ontarians are living longer. That is also true of people within the developmental services sector. Medical advances are increasing the quality and length of life of even the most fragile individuals. As these individuals age, it is important that they be supported appropriately in their own homes and with the dignity that they deserve.

Past strategies used by service providers to balance budgets have eroded any flexibility to accommodate the complex needs of an aging population.

Of equal concern is the family and caregivers. We have many parents on our current waiting list who are over the age of 65 and still providing primary care for their adult children. Actually, we have parents in their 70s, 80s and even 90s. These parents, mostly widowed, receive very little support from an already strained service system. A very real fear that these parents face every day is wondering what happens to their child when they die. That child often goes into crisis. They've lost their parent and their home and face a plethora of immediate lifestyle changes that only compound their already stressful state. Planning and transition needs to happen much, much earlier in these individuals' lives. There needs to be the capacity in the system to support and respond to that planning.

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Finally, investing in our workforce is long overdue. Transforming developmental services and providing senior parents with the reassurance their child will be taken care of means nothing if there isn't a skilled workforce to respond. Studies have shown that wages for developmental service workers lag 25% behind comparable jobs in other social service sectors. As well, enrolment in developmental service worker programs across Ontario is declining with a frightening statistic. Of over 461 recent DSW graduates, only 58 chose to pursue careers in the sector. Simply put, they could not afford to do the work, which is a sad commentary on the value society places on those who are the caregivers.

These issues are priorities not only for Community Living Toronto, but across the developmental services sector. It is imperative that the sector have sufficient funds to address urgent pressures, stabilize and strengthen the capacity of service providers. Your increased funding will contribute to the lives of people with a developmental disability as a \$200-million investment can help us: (1) respond to individuals currently without support; (2) reflect the realistic cost of providing supports that are person-centred; (3) expand the inventory of residential, day supports and specialized services; (4) ensure recruitment and retention of qualified and trained staff.

Only then will we have achieved a sector transformation that is successful, and only then will people with a developmental disability have the opportunities they deserve.

Community Living Toronto is but one voice in one region of this province. Across Ontario there are approximately 120,000 people who have a developmental disability.

We look to our government for leadership. We trust that as you develop a new budget, you will bear in mind the essential supports needed by our most vulnerable citizens to live and contribute in a safe and secure environment.

On behalf of over 10,000 people at Community Living Toronto, we thank you for your time as well as your public service and ongoing commitment to our cause.

The Chair: Thank you. This round of questioning will go to the official opposition. Mr. Hudak.

Mr. Hudak: Thank you very much, both, for the presentation. Chair, I have how much time?

The Chair: Five minutes.

Mr. Hudak: Thank you very much. There's no doubt, I think, that one of the great accomplishments of the last half-century was addressing individuals with developmental disabilities and moving out of the institutionalized homes back into a community environment closer to home and closer to family. I come from Niagara and I'm very proud of the accomplishments of the community living organizations in my area. We have the last three remaining homes that you mentioned at the beginning of your presentation, the last three institutions.

I think that program now has fallen behind the original schedule. I think concerns of some of the parents at Huronia and other institutions is to make sure that adequate resources are there so that when community living agencies receive people, they'll have the required resources with which to afford them a good home environment. Is it an issue of allocation from the province that's causing these delays? Is it just making sure that people can get to the right places with the right level of care? Why are we facing this slow time frame?

Mr. Rivers: My sense is that there are still several hundred people waiting to move into the community and the government has invested in the capacity of the community to respond. That's why in our presentation to you today we're saying that that's an incredible start and we need to continue with that investment, because if we pull back, we will not be able to respond to those individuals. Through George's life, we've learned that the expenses are significant, but the quality of life and the payoff is much greater than that financial investment. It's well worth doing and our belief is that we're on the right track. We just need to remain focused and committed to deinstitutionalizing and transforming the system. That's why we believe that in this year's upcoming budget, it's critical that we maintain a momentum and invest the \$200 million necessary to do so. If we fail in that regard, we simply won't be able to respond to the Georges.

Mr. Hudak: I appreciate it. Again, congratulations to Community Living Toronto and its history since 1948 in playing this important role. But as you said, there's a lot more that can be done. When you say there's a \$200-million requirement in addition to base budget as part of a multi-year commitment, what percentage increase is approximately \$200 million, for the committee's benefit?

Mr. Rivers: The \$200 million breaks out with about \$20 million of that needing to go just to address inflation, which is estimated at about 2%, but there's an infusion of about \$50 million that's required right now because, as our president has indicated, the salaries within our sector are lagging about 25% those comparable in other social service areas across the province. So just to catch up, we're indicating that we need an infusion of significant dollars in that regard. Then there needs to be a year-over-year maintenance and predictable amount of dollars infused each year to continue with that investment. So the \$200 million needs to be committed to base and indexed on a going-forward basis.

Mr. Hudak: The \$200 million, then, includes any care, maintenance or capital funds? Is that an issue?

Mr. Rivers: That would also include some care and maintenance and funds that have been earmarked to support individuals who will be moving out and require the housing as well as the physical supports that will be required to make that successful.

There are also programs offered through Community Living that help individuals move from work that's meaningless into work that's meaningful, and we've been incredibly successful in integrating individuals into Tim Hortons, Loblaws, into all sorts of industries and into the

workforce in a way that was never believed possible. But it takes a great deal of coaching and mentoring, following up and support for those individuals to be able to succeed in that regard. So there are other examples of where the dollars would need to go in order to achieve transformation.

The Chair: Thank you for your presentation before the committee.

ESSEX COUNTY FEDERATION OF AGRICULTURE

The Chair: I call on the Essex County Federation of Agriculture to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to state your names for the purposes of our recording Hansard.

Mr. Bernard Nelson: Good afternoon. I'm glad to see a farmer sitting across the table here. My name is Bernard Nelson and I'm a dairy farmer from Kingsville.

Mr. Julien Papineau: I'm Julien Papineau. I'm the past president of the ECFA and I'm a cash-crop farmer in the Woodslee area.

Mr. Tony Unholzer: I'm Tony Unholzer. I'm the example of a 60-year-old farmer, crippled up, waiting for—I'm just here to support these two gentlemen in their presentation.

Mr. Nelson: I'd like to welcome you all to beautiful Essex county. I hope you can come back sometime in the summertime when the crops are growing so you can really appreciate how big an effect agriculture has on Essex county.

Thank you for your invitation to participate in your pre-budget consultations. I appreciate the opportunity to outline the Essex County Federation of Agriculture's comments related to the next Ontario budget. The Essex County Federation of Agriculture is in support of the Ontario Federation of Agriculture's pre-budget submission to the Honourable Greg Sorbara, Ontario Minister of Finance, dated November 27, 2006.

Essex county enjoys a greater diversity of agricultural production than any other part of Ontario. In addition to the traditional grains and oilseeds grown throughout the province, the climate and soil here are ideal for vegetable and fruit crops, including world-class grapes. The grape/wine industry in Essex county continues to flourish and wine tours throughout the region have become very popular with the tourists. Greenhouse vegetable production in Essex county is the most intensive in all of Canada. Over 1,100 acres of greenhouse vegetable production represents over 83% of the provincial total.

Agriculture-related products provided from this region supply local consumers as well as foreign markets around the world. Essex county has 1,789 farms covering 334,000 acres. The Essex County Federation of Agriculture has 1,447 family farm members as of December 31, 2006, and is the county affiliate of the Ontario Federation of Agriculture, Canada's largest farm organization.

Ontario has the largest agricultural sector of any province, with sales of over \$8.2 billion in 2005. The economic importance of Essex county's agricultural production is a significant contribution to this status. Essex county has gross farm receipts of \$471 million, and this translates into \$2.1 billion in sales supporting 15,700 jobs as of 2001.

Continuing public investment in Ontario agriculture remains an important aspect of our industry's growth and development for the future. Our agri-food sector's performance relies on the latest production technologies and marketing techniques. This can only happen with increased investments in the agricultural industry.

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Energy is one of agriculture's major input costs. Fuel is needed to operate equipment and heat production and storage facilities, and fuel is needed in the production of fertilizers and other crop inputs. Affordable energy is paramount to the success of the greenhouse industry in particular. Ontario should support the development of energy crops and on-farm energy production, as well as markets for energy crops and products. This is the basis for sustainable energy for Ontario and a new market for Ontario farm production.

Exports are essential to Essex county. Our greenhouse industry, fruit and vegetable, livestock and grain producers all depend on the ability to export their products to survive. The Ontario government must make strategic investments to retain and build Ontario agriculture's economic capacity to alleviate the effects of currency fluctuations and foreign political agendas.

Agricultural research is also important. Research support for agriculture has fallen by over 30% in the last 10 years. This reduced research investment threatens the future of agriculture. The Essex County Federation of Agriculture supports the Ontario Federation of Agriculture's call for the restoration of financial support to agricultural research to a level of at least \$90 million per year.

Government procurement of food: Ontario is becoming increasingly vulnerable to imported food that may be produced in a significantly less stringent food and environmental safety regime. Market mechanisms need to be developed to give Ontario farmers better access to government buyers of food for hospitals, schools, etc., and to ensure Ontario maintains its food production capabilities even when imported foods appear cheaper. We had a delegate at Queen's Park last spring and there was a New York apple cube van at Queen's Park. I'm pretty sure they weren't picking up Ontario apples; they were probably dropping off New York's at Queen's Park.

Compensation for public goods and services—this is a very important area. Farmers provide benefits to the greater public such as food safety, environmental stewardship initiatives and preservation of the rural landscape. Currently, farmers bear the costs associated with providing these benefits without receiving compensation. This inequity needs to be addressed by developing market mechanisms to allow farmers to be compensated

for the public goods and services they provide to society. A good example of this is the beef ear tags that used to cost 25 cents. Now, because they've gone electronic, they're \$4, and there's no compensation back to the farmer. You say, "That's only \$3.75. What's the big deal?" If you're only making \$50 on a beef cattle, that is a big deal.

Property tax assessments: Urban sprawl, especially in Essex county, continues to overemphasize the values of agricultural land beyond levels farmers can recoup. Ontario must develop a property assessment valuation method based on agricultural land production ability.

Farm income support: Ontario agriculture needs serious, immediate attention from the provincial and federal governments. The sustainability of the sector and the near- and long-term prospects for the economy of rural Ontario depend on bold and immediate action to commit resources to the present and future agricultural economies.

Ontario farmers need action and investment as follows:

—A commitment to viable risk management and income support programs as developed by the agricultural sectors. This is a follow-up to what Leo was just talking about. This is important. It has to be done.

—An immediate down payment on long-term programs to provide assistance for the millions of dollars lost by grains, oilseeds, horticultural and livestock producers on their 2005 and 2006 sales.

—Action on developing production insurance products for livestock and horticultural crops. This has to be based on cost of production.

In closing, agriculture is a key economic sector in Ontario. The agri-food industry, including farmers, processors, wholesalers and retailers, provided 727,000 jobs in Ontario in 2005. This translates into 11% of Ontario's employment. In 2005, the value of Ontario agriculture and food exports topped \$8.55 billion.

In Essex county, agriculture supports 31,000 jobs with an excess of \$3 billion in sales. For every dollar of gross receipts from the farm, six dollars is generated back into the local economy. For every dollar, six dollars is generated back. That is very important.

Ontario farm incomes should signal to the government that the agricultural industry, the second-largest industry in importance to the Ontario economy, requires unique investments and considerations to ensure the long-term health of the industry and its ongoing contribution to the Ontario economy. Thank you very much for your time.

The Chair: Thank you for the presentation. This next round of questioning will go to the NDP. Mr. Prue.

Mr. Prue: There are three questions I have. The first one is that "Ontario should support the development of energy crops and on-farm energy production, as well as markets for energy crops and products." Are you seeking here a subsidy for growing crops that would be turned into ethanol? I'm just trying to get beyond the words and understand exactly what you mean.

Mr. Papineau: We support the initiatives that have been undertaken in the province and we encourage con-

tinued investment in biofuels and energy crops, whether it be for wind power, ethanol or biofuels. With that increase in investment, as these plants arise, that will create more markets, more demand for the crops that producers are growing, such that we would expect that prices should rise with more demand and more domestic use for our products here. We're not asking for a subsidy cheque directly to the farmer on that front, but efforts such as the risk management program that will assure that farmers have a cost-of-production formula on what they're producing.

Mr. Prue: In terms of wind farms, I've seen a number of windmills on farms, particularly in southwestern Ontario. Are farmers getting a fair return on the value of their land for those windmills? I've heard that you don't get very much—much less than in other places.

Mr. Papineau: As far as the wind farms are concerned, it seems that yes, at this point in time, farms are being leased just as they are for oil rights where farmers are getting a fixed rate per acre on the oil lease, and there are a lot of demands thrown in there. Like many other things that come to the farm, we're at the bottom of the line, and whatever the market will bear is probably what the farmer's share ends up being. Although it does seem like a low percentage, the farmers who are buying into it are doing it at their own will, so I think supply and demand is dictating that, and the farmers are jumping on board. One concern to a farmer might be that it's 20 years; they're locking in for a long period of time. I think we support the initiatives that are being done now in the wind energy.

Mr. Prue: You make a statement here about exports. That's primarily a federal responsibility, trade across borders, but you are saying here that, "The Ontario government must make strategic investments to retain and build Ontario agriculture's economic capacity to alleviate the effects of currency fluctuations and foreign political agendas." How can Ontario do that? Maybe I'm naive, but how could Ontario do that?

Mr. Nelson: In the beef industry, when BSE hit, we did not have the slaughter capacity here in Ontario to handle Ontario's markets. I know that the Ontario government has put initiatives ahead to help finance more slaughter facilities, more capacity in Ontario. We have to make sure that we have the facilities here so that we're not at the whims of some other government's agendas and so that we can process the products, such as beef, vegetables, grain and oilseeds. We have to be able to make sure that we can handle the processing here in Ontario.

The fluctuation on price: as the dollar goes up, the greenhouse industry is hit. It's detrimental to the greenhouse industry because they are working with the US dollar. As you say, it is a federal issue, but it's more important that we have programs in place so that they can offset this.

Mr. Prue: I think I understand your point. It was very well made.

The Chair: Thank you for your presentation.

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COMMUNITY LIVING ONTARIO

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

Mr. Doug Cooper: Thank you, Mr. Chairman. My name is Doug Cooper. I'm a board member with Community Living Ontario. Also presenting with me is Marty Graf, executive director of Community Living Tillsonburg. We would like to thank the committee for this opportunity to bring to you some of the critical needs facing community organizations that provide supports and services to people who have an intellectual disability.

For more than 50 years, local associations for community living have created and operated supports and services for people who have an intellectual disability, and we remain today, collectively, the largest provider of developmental services in the province.

Over the past half century, we have seen many changes in the way society supports people who have an intellectual disability. Today we have a tremendous opportunity to greatly enhance the inclusion and citizenship rights of people who have in the past not been able to effectively participate in our communities.

We will outline in this presentation the need for a \$200-million increase to the provincial base budget as a starting point in a needed multi-year investment aimed at addressing existing system pressures and building positive momentum for change.

Our vision, which is shared by families and community organizations across this province, is of a society that welcomes and supports all citizens in all aspects of community life. To achieve such a society, many people who have an intellectual disability will require support from their family, community, government and government-funded support services. Our vision is one in which government policy and funding reinforce the various roles of families, communities and government-funded agencies in supporting people who have an intellectual disability.

The developmental disability sector is at a crucial juncture. Community-based service providers, families, and staff of the Ministry of Community and Social Services have joined together to plan for a transformation of services and are ready to move forward. The status quo is not an option. The system must be stabilized and new initiatives launched. Ontario must invest now to transform supports for citizens who have an intellectual disability.

We support the transformation agenda currently being undertaken by the Ministry of Community and Social Services, in co-operation with people with disabilities, families and community partners. Through this process that is currently under way, the ministry plans to better link funding to individuals. We see this as the next step

in developing responsive and adaptable community supports for people with developmental disabilities. We look forward to working with families in a stabilized service system to create responsive and innovative support for people who have an intellectual disability.

These positive changes, however, are being proposed within a system that is currently under tremendous strain because of the achievements it has made in recent years. Working to support people within communities rather than in isolated institutional environments has added an increased level of complexity to the work of agencies in recent years. This has been compounded by changing needs and escalating demands for services that have stretched the sector well beyond its capacity. The status quo is not sustainable. A convergence of financial, service and individual-related issues have combined to create the current pressures facing the sector. Past strategies used to balance budgets have eroded any flexibility service providers had to accommodate the complex service needs of the aging population and the changing support requirements of young adults.

Current pressures include: insufficient residential supports for individuals whose parents have become too old to care for them; individuals with high needs waiting several years for day and residential programs, placing unrelenting stress on families and communities; the changing profile of individuals—aging individuals and those with multiple disabilities—resulting in the need for more complex support services which exceed the level of those currently available; funding levels that result in only individuals and families who are in acute crisis being able to access residential support, support that is often inadequate and temporary.

The system of support for people who have an intellectual disability is at a turning point. The current mode of operation cannot be sustained. Change is required. Families, people with disabilities, service providers and ministry staff working together will build a more responsive and sustainable system of support for people who have an intellectual disability.

Successful implementation of the transformation agenda requires a multi-year commitment to funding resources. To launch the transformation in 2007-08, \$200 million needs to be added to the provincial base budget to address existing system pressures and build positive momentum for change.

The increase in funding last year, in 2006-07, enabled providers to begin to address some of their most acute pressures and allowed the sector to launch Passport, which provides funding for individuals to purchase their own day activities. It was a welcome and successful step towards transformation.

To continue to move forward, however, additional funding is required and the \$200 million we and others in the developmental services sector are calling for will: respond to individuals who are currently without supports; increase the inventory of residential, day supports and specialized services; ensure recruitment and retention of qualified and trained staff; enhance agency capacity to continue to respond to the needs of individ-

uals currently being supported and waiting for support; and build inter-ministry service system linkages.

We thank the committee for its time today and we look forward to its support in contributing to the successful launch of the bold transformation initiative that MCSS has embarked on for the developmental services sector.

To transform the sector, \$200 million is needed for ongoing service and system enhancements as the first step in a multi-year investment strategy. It is essential that the sector have sufficient resources to address urgent pressures, stabilize and strengthen the capacity of providers, while increasing individualized supports.

Mr. Marty Graf: First of all, from my perspective, what I'd like to do as a starting point is thank all three of the political parties here for your continued support on the closure initiative. This is something that all governments of Ontario have committed to. We believe we need all of your support to continue this very important initiative so that all of the citizens of Ontario can share in the lives in their community.

We also would like to congratulate the government on its funding of programs such as the special services at home program. I am very pleased to announce that with the funding that came out last year, the wait lists for that particular program have basically been eliminated over the past year. That is very impressive. This is a very important mechanism for families to be able to access this as their children are attending school. This provides them some of the respite that they need during the week. That is quite an achievement, to know that those wait lists have gone by the wayside. We'd like to see that with the other programs that are funded as well.

I'd also like to point out that on Saturday there was a session held in Tillsonburg by the People First group. They, as well, want to thank the government for the increases that have come on the ODSP income support and also for the changes that have happened under the employment supports that are available. We're now seeing the effects of those changes. In this past week, in checking with people, they're saying that they're seeing about \$100-plus a month increase in the income available to them. So that, again, is a significant step. We would like to thank the government for that kind of initiative as well.

It is important to recognize that we, as a service system, have been in existence for over 50 years. We have gone through many significant changes in the way we do business, and the transformation that is being proposed will take us to an even better system available for children and families with an intellectual disability. Thank you.

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The Chair: Thank you both. This round of questioning will go to the government.

Mr. Arthurs: I'll just take maybe two minutes. I think Ms. Matthews may have some questions as well.

I want to go back to a question that Mr. Hudak asked of our presenters not long ago. From my perspective, I

didn't get the answer that I would have been looking for out of his question. I just don't have the figures in my head. If you could help me, this would be great. The \$200-million request for this coming year: What would that represent as a percentage of the current base budget?

Mr. Graf: I believe the system in total for developmental services is at about a \$1.3-billion investment already. So this would be in addition to that investment.

Mr. Arthurs: So about 15%, give or take a number?

Mr. Graf: Yes.

Mr. Arthurs: That's helpful. The other quick question—well, it may not be quick but I have a question and then I'll relinquish the floor at that point. One of the points that was made in the presentation was that some of the dollars could be used to “build interministry service system linkages.” Could you just take a minute to comment on that aspect of the presentation?

Mr. Graf: One simple example would be as it relates to preparing students for their employment careers. The more we work in conjunction with those programs within the school system and the employment programs that are available for adults or when these students are graduating—if that work is in place, the students have their summer jobs, they're supported when they're still going to school, there are successful transitions into those jobs as full-time when they're leaving the school. So if we're working in conjunction like that, it works better for all parties and especially the individual.

When it comes to the Ministry of Health, when someone has to leave our services and go into long-term care, when we go in and provide some of the additional supports based on our knowledge and information about the individual, both service systems get the benefit and the individual gets the benefit as well.

Those are just two simple examples of how we could work together across ministries.

Mr. Arthurs: Thank you.

Ms. Matthews: Thanks very much for your presentation. I'm especially happy to hear that you actually are seeing the effect of some of the changes we've made in terms of employment supports. That's gratifying and good news, so thank you.

Mr. Graf: It is very good news.

Ms. Matthews: I want to talk a little about providing supports for parents who are taking care of their kids at home. I know that some of the \$200 million that you're requesting would go to those day support programs. I wonder if you've been able to actually estimate the savings that would result if people were able to keep their kids at home longer. Is this a case where we actually would see offset savings?

Mr. Graf: If someone is moving into a setting where they're going to require 24-hour supports or whatever, those costs could be up to about \$70,000 a year to provide that kind of living space. If somebody is able to stay at home with their family, obviously there is not that expense. There is probably an expense of \$8,000 to \$10,000 of providing those kinds of day supports, giving

the families that kind of relief. But it's not just during the day. It's evenings, it's weekends—

Ms. Matthews: Respite.

Mr. Graf: —people having opportunities away from their families. The more you give them that opportunity for their breaks, the longer that family wants to sustain that relationship.

The Chair: Thank you for your presentation.

CHRISTIAN HORIZONS
OPPORTUNITIES MISSISSAUGA
FOR 21-PLUS

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

Mr. Paul Burston: My name is Paul Burston. I'm the director of government relations for Christian Horizons. We are the largest single service provider in the province of Ontario.

I also want to thank you for this opportunity. I've already made a presentation to the Minister of Finance and this is just another opportunity to share with people from all parties. I think it's good to underline the fact that I've been in this field for 37 years and the one consistency that has been there is that every political party has supported what community living agencies are trying to do for people with intellectual disabilities.

I want to point out this afternoon that I'm also here representing Opportunities Mississauga for 21-Plus. That is a parent organization that has partnered with Christian Horizons in trying to find other innovative ways of supporting their children who have a developmental disability. I want to read a statement from them, if that's okay. They are actually visiting with the Minister of Community and Social Services as we speak, and that is the reason why they were not able to be here today. I'll read their message.

“On behalf of the 120 families who are members of Opportunities Mississauga for 21-Plus, let me express appreciation for the opportunity to present some of our thoughts and ideas. It would have been good to be with you in person, but Christian Horizons' Paul Burston has kindly agreed to read these words for us so that we can keep a Toronto appointment with the Minister....

“Opportunities Mississauga is a grassroots, family organization that has been working for seven years to address the long-neglected needs of adults with developmental disabilities. We are not a professional group nor a formal ‘agency,’ but we have deep concerns and quite literally vast experience: as we sometimes say, the parents represented by our group collectively bring almost 5,000 years of 24/7 experience to the table....

“Our key message for you would be that we understand the resource constraints that you will be struggling

with and that we pledge to work energetically and creatively to maximize the impact of the new resources we hope you will commit to services for adults with developmental disabilities.

“We have various specific projects in mind that will demonstrate our commitment—all of them informed by two key convictions. Paul Burston will leave you one expanded elaboration of those convictions—sent to the Ministry of Community and Social Services last year—but let me summarize them briefly here:

“First, we believe in the need for partnerships to maximize both resources and the impact of resources. We are not simply waiting or hoping for provincial resources to reach a floodtide state that will solve all of the problems confronting this long-neglected segment of the population.... What partnerships? We believe families and communities must play a significant role in mobilizing local resources to multiply the impact of what is provided by the provincial government. Our organization is strongly committed to play this mobilizing and multiplying role.

“Second, we believe creative approaches will enable families and communities—and the provincial government—to do much more than has been done in the past. Our proposal for a respite/transitional residential program, for example, would serve three times as many individuals with the resources that would be required for a traditional residential project.... Hospitals and universities in Ontario have long used this method to improve their long-term viability and opportunities and we believe it would work very well on this new front—as a means of tapping deep reserves of community concern and strength.

“To conclude: We are anxious to use our 5,000 years of experience, our energy, and our creativity to work with you on finding solutions for the seriously neglected problems.... We believe strongly that the provincial budget should provide expanded resources to address these problems—and we pledge ourselves to work at multiplying the impact of the resources. In the process, we will all be able to take pride in creating a milestone moment in Ontario's and this government's record of social achievement.”

Those are the comments from Opportunities Mississauga for 21-Plus. The 21-plus, of course, is referring to children who are leaving school and have no services readily available for them and literally fall off the table as it comes to a full menu of supports and services under education and then nothing.

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I'm a preacher's kid, and I've already used up five minutes; I can't believe it.

Because you've heard so much from other organizations representing community living, I'm going to just share from my heart a little bit about the future and how I see it.

I think if you're to understand clearly why I'm here today, it must be understood that I'm not here to ask for a handout; I am here to ask for an investment in a system

that is antiquated and needs to be transformed. There is so much more that can be done for people with developmental disabilities if we can get beyond the crisis management of parents coming in at their very wits' end when their primary caregiver dies and there's no place for them to go; we need to do better than that.

What I am asking for is social justice, particularly for people with intellectual disabilities, who are still not respected and supported as full citizens of Ontario. That's a reality that I have become increasingly aware of. We can talk a lot, but our actions don't follow our words. In other words, we're not walking the talk.

What I am asking for today is the empowerment of parents and the partnerships that can be developed with agencies through the transformation of developmental services.

You've heard the request for \$200 million more to be invested in the sector. It is an investment. It will make radical changes when we take this bold new direction that is talked about in the transformation piece.

What does "transformation" mean to people in Ontario with a developmental disability in their family? It means that we will have a system where we will be able to assess how much it will cost to support those people, the dollars required to do it. This is something that Christian Horizons has practised for well over a decade, where we've been able to cost it out. Now the government has come up with a way in which they can and are willing to assess people's needs, and this will allow people to be served at the level that they require services.

The current situation is that you either have some services or you have none. There is no middle ground. This will start to level the playing field so that more people can be involved and more people can receive services.

Transformation, for me, is something that is essential. It's essential for parents. It's essential for community living agencies, as we seek to be more cost-effective. When the Auditor General asks, "Where did all that money go?" we'll be able to say, "It went to this and it went to that, and these are the services that you purchased." So it's bringing a level of order that hasn't been there before to a segment of government services.

I've watched today as many people have made presentations. If I was sitting in your place, I would be overwhelmed.

What I want to say to you this afternoon, if I can, is that when you see the results of the funding of last year and the elimination of waiting lists for special services at home, it says to me that when the right investments are made, differences can really occur, and it doesn't have to be bureaucratic, and it doesn't have to be complicated for people.

We heard about people who said, "I've had to talk to so many people. I'm tired of the talking and no services." I want to tell you that transformation will make that difference, where people will talk to one person and they will be able to access services.

So I don't want you to be discouraged today; I'm not. I know that the economy is in a bit of a downturn, but I want to share one other thought with you.

The Vice-Chair (Mr. Phil McNeely): You have about 30 seconds.

Mr. Burston: About 30 seconds—and this will do it then. One of the founders of Yahoo, who has a Christian background, I guess, said that the biggest mistake that businesses make today is that they always plan from a scarcity standpoint. I think we want to understand that if we always crisis manage and we always manage by scarcity, we are never going to achieve the goals that this province and this country need to achieve for people with disabilities. So I want to encourage you to plan from abundance, even though the economy is in a downturn right now.

The Vice-Chair: Thank you for your presentation. We'll have questions from the opposition.

Mr. Hudak: Mr. Burston, thank you very much for the presentation, heartfelt and justifiably so. Thanks also for the presentation on behalf of the Mississauga organization. They've submitted as part of our package some considerable information as well, which I found quite helpful—Opportunities Mississauga for 21-Plus, to be specific.

One question I had—and my colleague Mr. Arthurs and I have both asked about what the \$200 million means in terms of increases in the base budget. The previous speaker had addressed that, which is probably around 15% or 16%. When allocations are made for different delivery agencies, whether it's community living, Christian Horizons etc., does the same model work for each? Does the same amount of funding flow for individuals no matter where he or she chooses to live?

Mr. Burston: I'm sorry. Does the same amount of funding—

Mr. Hudak: —flow for an individual, whether he or she is at a community living home, at a Christian Horizons home?

Mr. Burston: There is part of the issue that is the struggle for the sector: They are somewhat all over the map, as you've heard. Many of our staff are paid 25% below other comparable jobs in care. There are many different levels of salaries within each group, so there would be some differences as it relates to the workforce in particular programs, obviously.

Mr. Hudak: Right. In terms of the budget that each delivery agency receives through the ministry, does that vary with the different delivery agencies or does the same funding flow for an individual?

Mr. Burston: I think it's equalled out, though in this last budget there were some very creative—they put aside \$11 million that enabled agencies with very low-paid workers to receive an additional increase, a modest increase to their salary which I thought was very creative.

Mr. Hudak: By and large, are Christian Horizons workers below the average?

Mr. Burston: We were in the bottom third. Through that additional funding we received over and above the

increase that came via the budget. We received an additional \$1.8 million, but when you look at 2,500 staff, once that's shared out, it's not an awful lot of money in the increase.

Mr. Hudak: If the finance minister decides to fund the sector at the \$200 million or more or less, is there a recommended distribution model for how that funding should be disbursed?

Mr. Burston: Yes, I would like to see the families receiving direct funding where possible. I think that the empowerment of families and their contribution is a very important contribution. What I think will happen is that it will decrease the compression that's on the system now. On the one hand, we have people living much longer, and we have this huge waiting list of people wanting to come in and receive services. If we can empower families and support families adequately—as we've heard just recently, per person it's upwards of \$70,000. I would like to add that there are parents who are supporting their children whose needs are far higher than that; they may cost upwards of \$150,000 more to support.

The other thing to keep in mind is that the more we can empower parents, the less we have to rely on generic supports as well. The multiple needs of people within Christian Horizons, for example, if they were served in other segments, whether it's psychiatric hospitals or your local hospital or in the criminal justice system, the cost to the taxpayer would be immense. So, in fact, as we're able to provide those services and as we're able to work with parents, we're actually reducing the cost to the government, not increasing it.

The Vice-Chair: The time is up. Thank you very much for your presentation, Mr. Burston.

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CANADIAN UNION
OF PUBLIC EMPLOYEES,
WINDSOR AREA OFFICE

The Vice-Chair: The next presenters are the Canadian Union of Public Employees, Windsor area office. You have 10 minutes. As you've heard often today, just state your name for the purpose of recording Hansard.

Ms. Patti Strople: Good afternoon, Chair and members of the committee. My name is Patti Strople. I am an early childhood educator employed by the city of Windsor and a member of CUPE Local 543. I'm here on behalf of the CUPE early childhood educators and other child care centre staff in a range of children's services throughout Windsor and Essex county.

CUPE is the largest union in Canada. We represent more than 5,000 child care workers in Ontario, working in standalone centres, community-based organizations, municipalities and school boards. Our union has advocated for accessible, affordable, accountable, inclusive, non-profit quality child care for decades. Using the data from the You Bet I Care study, CUPE sponsored a study by an independent academic which shows that unionization positively influences child care workplaces and

the sector generally. It's an important strategy for dealing with recruitment and retention, which are two big challenges in this field today.

I'm here today to reinforce the message that Ontario must continue the path started with Best Start. This plan laid out a starting place to address the many lacks and shortcomings evident in our child care situation. Regardless of the disrespect and disappointment delivered by the federal government, CUPE expects and holds accountable our provincial government to honour the commitments made to child care improvement.

We believe that all children have the right to quality child care. Child care not only benefits children and their families, but also has effects on employers, on communities and on society as a whole. Parents should not have to bear the burden alone, nor should child care workers be expected to subsidize their services through low wages. Research has clearly established that caregivers are the most important factor in quality child care and that adequate compensation is needed to ensure a stable, skilled workforce.

As recognized by many, high-quality child care is a vital part of a broader approach to comprehensive social programs, including health care, education and income support. Our governments have not yet met their responsibility to develop comprehensive, appropriate and affordable child care services. There is no acceptable justification for this failure. The reasons to move forward are compelling and clear.

The government's answer to ensuring quality is to introduce an ECE college for professional registration and certification. CUPE has some serious concerns with the introduction of such a regulating body.

First and foremost, we feel that the timing is all wrong. The current child care system in this province is fragmented and severely underfunded. The government needs to appropriately fund the system before trying to regulate its standards through a college. Secondly, ECE wages are already well below the poverty level in many situations, yet the college will expect these professionals to pay a registration fee that most will not be able to afford.

As a professional, an ECE may be faced with a situation where, as a direct result of underfunding, her employer understaffs a classroom in violation of the act. As the ECE assigned to that particular classroom, she could find herself being held accountable and liable to the regulating college, yet have little or no control over the situation. For these reasons alone, we believe that a college is clearly not the answer to address quality and accountability in child care.

The Ontario Coalition for Better Child Care has submitted a paper to this committee entitled *Renewing the promise of Best Start*. CUPE supports this analysis and would like to reinforce the recommendations made there, including:

—an initial investment of \$600 million in 2007-08 to allow Best Start to move forward, not backwards;

—directly funded early learning and child care programs and eventual elimination of the subsidy system;

—funding support for the child care workforce through increased wages, benefits and improved working conditions;

—continued, increased investment in early learning and child care for all children between 0 and 12, especially for children with special needs;

—support for rural and underserved areas and for the nascent relationships in the Best Start networks;

—expansion of early learning and child care system to be in the non-profit sector only; and

—leadership in demanding that the government of Canada honour the agreements that it signed with the province on behalf of Ontario's families.

There is still a lack of stable, sufficient public funding, leaving programs unable to improve or expand. Direct public funding is a prerequisite for affordability and accessibility. It ensures accountability and provides stability for program planning, for service delivery and for high quality.

Quality will also be improved through adequate compensation for staff. The problems inherent in the formula used for the wage enhancement grants compound the difficulties and inequities. Wages and benefits, including pensions and funding for pay equity, must be corrected.

Funding is needed to integrate and make facilities accessible for children with special needs. Services must be extended to a broader age range of preschoolers. The local Best Start networks need ongoing support and guidance. They can be a powerful vehicle to foster stronger relationships and co-operation amongst members of the children's services sector.

As long-standing advocates and workers for high-quality early learning and child care, CUPE has been surprised and disappointed to find that no room can be made at the table of these networks for union input. CUPE has been told locally that we are not service providers. We have a differing view as the CUPE staff feel that we are, in fact, the very key front-line providers and should have a representation at the table and that our valuable input should be welcomed.

In Windsor, the Best Start expansion has been earmarked to go to non-profit centres only. We applaud this local move and encourage that a similar policy be set provincially to ensure public funding for expansion is kept in the non-profit sector. Other provinces, including Quebec, Manitoba and Saskatchewan, have committed to continue building their early learning and child care systems with provincial dollars.

The Ontario government must maintain its commitment to the Best Start plan despite the lack of federal funding. The future and wellbeing of Ontario's children is at risk without substantial investment from the McGuinty government. We strongly encourage the government to invest in the children of Ontario and appropriately fund the original Best Start plan, and urge the Ontario government to show leadership at the February 7

Premiers' meeting in Toronto in the call for federal funding for child care.

Thank you for this opportunity to speak with you today.

The Chair: Thank you. This round of questioning goes to the NDP.

Mr. Prue: Thank you very much. I have a number of questions. I'd like to start first with some of the statements you've made. You said, "The government needs to appropriately fund the system before trying to regulate its standards." Have they gone about it backwards?

Ms. Strople: I just think it's too early in the development of the child care system to have the college set up at this point. We don't have a problem with having colleges, but I know from the Ontario College of Social Workers and Social Service Workers that the registration has just gone down to \$340 a year. In many professions, that wouldn't be a huge amount, but in this field where the average worker's wage is about \$12 an hour, that's a very large amount for the workers to be expected to pay. As long as the system isn't in place to do the regulation and to fund the services so that even the best-hearted operators can provide a high-quality level of service, to put the onus at the bottom level with the workers who have no control over the working conditions or the standards that they would then be held accountable to maintain doesn't seem like the correct order to place the process in.

Mr. Prue: You have stated that you need \$600 million for Best Start to move forward. Whence did this figure come?

Ms. Strople: This was the figure we took from the paper that the Ontario Coalition for Better Child Care had put out, but it may be the commitment that Ontario had made a couple of years ago, when the plan was started for this amount to come through for this next year. But I'm not positive that that's correct.

Mr. Prue: In terms of past budgets, has any Ontario money been spent? I know that federal money has come to Ontario and Ontario has spent the federal money, but has the government in the last three years spent any of its own money on child care, and if so, how much?

Ms. Strople: My understanding—and you people probably have a much better sense of that; some of you would—is that Ontario hasn't been putting in the money that had been committed provincially. So we would ask that all that money be put in that was committed by the province to be put into child care.

Mr. Prue: Is that the \$600 million you're talking about?

Ms. Strople: I'm sorry—

Mr. Prue: All right.

Ms. Strople: I can count up to 10 and 20 in the child care centre, but after that it gets a little fuzzy for me.

Mr. Prue: Okay. You went on to say that you believe that "expansion of early learning and child care system to be in the non-profit sector only." There has been some discussion in the Legislature of including the for-profit system as well. That has been the government position.

Are you in disagreement with including the profits and, if so, why?

1510

Ms. Strole: There are a number of studies that are out—some of them have been government-sponsored as well as the ones through the coalition, through CUPE, through others; the child care research unit at the University of Toronto has done a number of them, and independent academics as well—that consistently show that non-profit child care, overall, shows better standards of care in terms of the level of training of their staff, their ability to maintain the same staff, to keep a lower turnover rate, to have higher standards of what's available to the children.

We have great concerns with the way some other countries have gone toward the big-box corporate child care where it's not just a couple of people who get together out of good intentions to offer child care, but it has become quite a major business. There is so little money available in child care. We don't think there is any extra money to come out for the profit-making. All the money that goes into child care, especially the public-funded money, needs to go into the service provision. There is no extra money available in child care to be taken out. In our view, it's all needed in to the service.

Some of the stories from Australia that have happened with their big chain corporations over there, especially one called ABC, where they are actually setting up the training for the workers, doing that and making a lot of money—the level of quality doesn't seem to be what we've come to expect under our standards.

The Chair: Thank you for your presentation.

SOCIAL AND HEALTH SERVICES, CITY OF WINDSOR

The Chair: Now I call on social and health services, city of Windsor, to come forward. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Rod Peturson: Certainly. Rod Peturson. I teach at the University of Windsor, faculty of education. I am on the Windsor-Essex region Best Start steering committee and I represent the Greater Essex County District School Board on that group.

In 1999, in a widely heralded and internationally praised study presented by Dr. Fraser Mustard and Margaret McCain entitled the Early Years Study: Reversing the Real Brain Drain, the authors set forth a number of recommendations for the direction of government policy in the support of young children and their families.

In 2003, then-opposition leader Dalton McGuinty spoke of the critical importance of early learning and child care, while outlining his vision for a coherent, clear and comprehensive child care plan in securing the economic and educational future of our province. The

Premier outlined his plan as a natural extension of the publicly funded educational system and the foundation of a life of learning. He clearly articulated that quality child care was about early childhood development, not a patchwork of babysitting. He called it Best Start.

I am a retired school superintendent who currently serves as the representative on the Greater Essex County District School Board for the Windsor-Essex region Best Start steering committee, and I have done so since its inception two years ago. In my role with the school board, I witnessed first-hand the challenges faced by parents in securing space in high-quality, not-for-profit child care centres, weighing the cost of their access to this child care in light of their employment earnings and facing a patchwork and threadbare field of children's services. With my colleagues in education, I saw the reality facing the three quarters of Ontario families with children under the age of five who work outside the home. I'm older. My son is going to be 30. In the days when my children were small, in 1976, 36% of all women in Ontario's workforce with children under the age of 16 were employed outside the home. By 2004, that number had risen to 73%.

I watched as parents struggled and juggled, not only their child care arrangements but strategies to shuttle children between school programs and child care, to coordinate before- and after-school supervision with their employment responsibilities. As an academic familiar with the research on child care programs and services, I was very aware of the toll that the lack of coordinated services and supports for children and their families was having on our provincial workforce and on our economy as a whole.

When the Best Start program was introduced in this region, it was universally embraced and celebrated by our municipalities, our local health unit, our children's service agencies, our four publicly funded school boards, one school authority and our child care providers.

Through careful research and consultation, we developed a plan which would see the establishment of 660 new child care spaces over three years in Windsor and Essex county. At the same time, we worked collaboratively to develop a vision for coordinated community children's services—Best Start child service hubs—across our region. This vision was designed to include programs and services specific to the aboriginal and francophone communities, and it upheld the "schools first" policy in terms of implementation locations.

This region has a history of collaboration amongst the agencies meeting the needs of young children. In fact, a few years back we got together and developed the idea of ELF centres, early learning and family strengthening centres. Those gradually became the Ontario early years centres. We were able to implement those, with great success, in this region by using available space, freed-up space in schools. So we weren't spending money on bricks and mortar; we were spending the money on direct service to families and children.

So when the Ontario Best Start plan for child care support and services was unveiled, our community was ready. We developed a comprehensive three-year plan. But I have to tell you, our municipalities were hesitant. They were fearful that the future, ongoing operational costs would be downloaded upon them. With the support and encouragement of colleagues at the various ministries in the province, we allayed their concerns.

When the newly elected federal government reneged on their child care funding agreement with the province of Ontario, we revisited the local plan. We established 235 new child care spaces, focusing on the access needs of the families of our four- and five-year-olds who are in half-time kindergarten programs. The way we maximized this is we identified space available in schools. One of the advantages that Ontario has is that it has heavily invested in school construction over a number of years, and with the demographics changing and a declining enrolment across Ontario in elementary schools, we see freed-up space in schools. School boards working collaboratively with the child care services sector can free up space and provide that space for the expansion of child care. We did that; we found ways of making it work. We relied on the Premier's and former Minister of Education Gerard Kennedy's promise to pay for child care facilities to be built in new school construction as well. We saw schools as hubs for children's services, which provided the availability of child care service for community neighbourhoods. Across this province, school boards are experiencing this decline in enrolment. It's a resource that's already there.

We've looked at the issue very carefully as the Best Start steering committee for this area, and I give you the following recommendations from that committee:

—Ensure the ongoing funding of the 235 new child care spaces created as our year 1 plan beyond 2010. Failure to do so will confirm the fears raised by our municipal politicians and administrators that participation in provincial initiatives results in future downloading of associated operational costs. Failure to do so will also result in the loss of the 235 child care spaces to our region.

—Fund the remaining two years of the Best Start plan for expansion of child care services. In our region, that would result in the further creation of 425 high-quality, licensed spaces utilizing the infrastructure already available in the four school systems. The cost to Windsor-Essex to implement it would be \$4.7 million.

—Effective January 1, 2007, this province transitioned from a needs-testing model to an income-testing model to determine who receives child care subsidies. Our community supports this more equitable, province-wide, common income-based approach, but without the necessary funding, it will only result in huge waiting lists.

—Fund the establishment of children's service hubs as envisioned by the Ontario Best Start plan.

—Provide the second and third year of funding for Best Start in our region.

Approximately three years ago, Mr. McGuinty made a commitment to spend an additional \$300 million to fund

the Ontario Best Start program for child care. He did so in response to the overwhelming body of research, including the Mustard-McCain study, which identifies access to high-quality, licensed child care as a major factor in the long-term educational and economic welfare of a 21st-century society. A number of things have changed since Mr. McGuinty made that commitment, and we recognize that fact. One of the factors that has changed over the last three years is that the need for high-quality, accessible, affordable, community-based child care has grown, and it will continue to do so.

1520

The Chair: Thank you. This round of questioning goes to the government.

Mrs. Mitchell: Thank you very much for your presentation today. I just have a couple of questions. I'm sure some of the other members would like to ask some questions as well.

Your comment at the very end, that some things have changed and that the demand grows—there are a few other little factors that have changed too. What I'm looking for is a dollar figure. Your number 1 point is, "Ensure the ongoing funding of the 235 new child care spaces...." We know what has changed fundamentally, correct? So what does that dollar figure represent?

Mr. Peturson: The current—

Mrs. Mitchell: To fund those 235 spots, based on knowing what's going to happen to the federal—

Mr. Peturson: I can't answer that right now.

Mrs. Mitchell: Okay. If I go to number 2, you have \$4.7 million, so I just divided it in half, and we know that those are rough numbers. Would that get me there?

Mr. Peturson: Approximately.

Mrs. Mitchell: Approximately. So the commitment that you're looking for, then, is roughly \$7 million? Okay.

Mr. Peturson: In terms of Windsor-Essex county, what we're really hoping for is a provincial commitment to the Ontario Best Start child care initiative, as it was originally envisioned and brought forward by the provincial government.

Mrs. Mitchell: And that's the dollar figure that I'm trying to get to. It's what you're looking for. It's not the \$100 million; it's more than that. What is it that you see that number being?

Mr. Peturson: I'm not sure at this point. I didn't bring that information.

The Chair: Further questions?

Mr. Arthurs: Just a couple of things, Mr. Peturson, I was listening at the very beginning of your presentation when you referenced, I think, your daughter—a child, anyway—reaching near the age of 30. It struck me as you were doing that that my three daughters—two in the workforce, one re-entering the workforce after maternity leave—all have children. It struck me in the time frame you put out that when I was going into education, before I came into this field—some things need to be on the record, I think, extensively—36% of women were in the workforce and today that's jumped to some 73% plus.

For those of us who have been around for a while, you kind of lose track of that, you just kind of think that the world hasn't changed quite that much. It really drives home the need for the kinds of programs that we're trying to put in place and the need for federal support to do that just because of those numbers in and of themselves.

My question, though, goes to later on in your presentation. It relates to the discussion around the use of schools as hubs for children's services and hubs for community activity. Being an educator, being in the business of education, being an academic in the field now, and a volunteer, what other things can we do as government, what other things can be done in communities to ensure that schools are hubs of community activity?

Mr. Peturson: In Windsor-Essex, we're currently undergoing some growth in outlying regions of Windsor into the north shore of Essex county and we actually are in school construction phases, not only new school construction but, more importantly, replacement schools. We have the second-oldest collection of school buildings in the province. As part of that, the school board has made a commitment, as have all four school boards in this area, that they are going to aggressively work at having child care available in their schools where they have space available, and in the new school construction to build that space.

In the two schools that we have built, we've built enough space for a mini-hub—not the full-blown vision of Best Start but the opportunity for space where the health care providers can come in and do Healthy Babies screening, speech and language pathology; where children's services can come into the schools and provide those services where the children are. We really do envision trying to coordinate in our community children's services around schools because that's what parents are familiar with in terms of their neighbourhood and where they can seek those services. We hope to do that in the schools that we've built, the two new ones. We really think it's a good model, because, as I said earlier, the province of Ontario is experiencing a declining enrolment in almost every area in terms of elementary schools, so there is space available. There's a struggle in our rural communities to keep schools open. Utilizing those facilities to provide services just enhances the community and also allows that school to remain open and that community to get children's services coordinated.

The Chair: Thank you for your presentation.

WINDSOR AND DISTRICT CHAMBER OF COMMERCE

The Chair: Now I'd ask the Windsor and District Chamber of Commerce to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to state your name for the purposes of our recording Hansard.

Ms. Federica Nazzani: My name is Federica Nazzani. I am the chair of the finance and tax committee with the Windsor and District Chamber of Commerce. We represent over 1,400 business members in Windsor and Essex county. Thank you again for meeting with us. We're very pleased that this committee is taking the time to talk and deliberate the 2007 budget with its stakeholders.

The Windsor and District Chamber of Commerce recommends that the 2007 Ontario budget address the following immediate priorities:

(1) Commit core infrastructure funding for a new Windsor-Detroit border infrastructure.

(2) Enhance the tool kit for local economic development that allows communities to level the playing field with competing jurisdictions and the global marketplace, the focus being to strengthen the manufacturing sector as a pillar of our economy, providing most of the regional and provincial jobs.

(3) Provide a fair and competitive tax regime for a balanced budget to ensure Ontario's economic prosperity.

(4) Develop a detailed energy plan on future supply sources and conservation of electrical power.

Our recommendations are aimed at the greatest deterrents to economic prosperity in our region: Eliminate obstacles to the free flow of goods and people across the border; reduce taxation and red tape; and provide investment incentives in human and physical capital and controls over escalating costs such as energy.

Before getting into the details of our recommendations, it's important that this committee understand the macroeconomic picture and not underestimate the position of significance that this region has in Ontario.

We are all aware of the economic challenges posed by high commodity and energy prices, the strong Canadian dollar, potent global competition and inadequate border infrastructure. However, our regional economy in Windsor and Essex county faces disproportionately high economic risks relative to other cities and Ontario as a whole. This is due to our dependence on three primary sectors that, compounded, face the most extensive challenges: manufacturing, tourism and hospitality, and agriculture business.

To illustrate the magnitude of the impacts of such difficulties, consider as an example the significance of the manufacturing sector to our local economy. Statistically, the manufacturing sector represents the largest sector in the national economy, or 17% of Canada's GDP. In our area, it accounts for 37% of the local GDP. As a percentage of Canadian employment, manufacturing alone represents 15% of total employment. In our area alone, manufacturing accounts for 35% of local employment. Why should this be important to Ontario? Consider that Essex county's manufacturing shipments amounted to 23 million and our auto-related shipments totalled 16 million. By comparison, only the GTA and Peel region, with a much greater population base, experienced more manufacturing activity.

Recently, the region has lost thousands of manufacturing jobs as manufacturers are restructuring their

businesses in response to these challenges. The unemployment rate in Windsor and Essex county continues to soar above the national and provincial averages. The latest Statistics Canada labour force report indicates that unemployment in our area reached 8.9% in December 2006, raising recession concerns. The unemployment rate was 6.1% in Ontario and Canada as a whole.

The conclusion of our regional assessment is that, in short, our once-prosperous sectors of automotive manufacturing, tourism and agribusiness have been and will continue to be significantly impacted by the fiscal environment, and regions such as ours feel helpless to effect change.

1530

Our 2007 pre-budget submission addresses the drivers of economic development, which require the government's immediate attention. Let's begin with investment in infrastructure. To capture the immensity of this issue, consider that an estimated US\$1.2 billion in trade crosses the US-Canada border daily, with over 40% of it coming from the five international land border crossings in Windsor-Detroit. Of this daily trade, as much as one fifth of the total is automotive-related. Trade between Canada and the US has climbed at nearly double-digit rates each year since the implementation of NAFTA. It's estimated that by 2020, the number of daily crossings could exceed 90,000, up 50% from today.

While Ontario has become increasingly focused on exports, the border infrastructure has simply not kept pace. Given the importance of this region to Ontario's economy and the age, capacity and vulnerability of our existing infrastructures, the chamber recognizes the immediate need for an additional border crossing. It is a key economic asset to the province and it must be given the highest priority. All levels of government must work together towards a resolution satisfactory to the affected communities on both sides of the border.

The province is a leading partner in the binational study group to find a long-term border solution. Our chamber has been supportive of the actions of the province within this partnership and has expressed firm support for the DRIC process. However, time is of the essence. The chamber urges the province to avoid undue delays and expedite the process where possible. The underinvestment in infrastructure is eroding our competitive advantage and is a barrier to growth in Ontario. Such delays have led to economic distress due to the uncertainty in the minds of investors and the redirection of investment and expansion dollars to competing jurisdictions and countries.

Investment decisions made today are based on current conditions and current problems, and the perception of a delay negatively affects future investment. Ontario must continue to provide its leadership and the core funding to make this happen.

Focus on regional economic development: Many communities and businesses in Ontario do not have the necessary economic development tools to compete in a global marketplace. The fiscal stimulus is derived not only from

a better taxation regime but by offering a variety of incentives for businesses to encourage capital investment and job creation. The chamber believes that to mitigate regional economic decline, the government must distinguish economic indicators for communities that negatively deviate from the provincial "norm" and create incentives for investment job retention, expansion and trade in the sectors and/or communities. It should consider targeted funding through the provision of low-interest-rate loans and grants and the creation of diversification funds for cluster development to communities that exhibit distress from these established economic indicators. Our manufacturing sector must be singled out for special consideration, given the importance of the same to our region as well as to the rest of the province.

Providing real incentives directly to municipalities, businesses and/or centres of innovation will support the efforts to organize economic development initiatives and increase their competitiveness. Our competitiveness depends not only on education and research and development, but our ability to provide superb capital resources for Ontario businesses.

Provide a fair and competitive taxation environment: As in the past, the chamber is urging the government to be prudent in its fiscal policy, delivering a balanced budget for 2007. Fiscal prudence will enable the government to orient its future budgets toward the elimination of its debt, reducing personal and corporate taxation, and thereby improving business tax competitiveness. In balancing its budget, Ontario must aim to cut inefficient spending, identify other revenue sources, sell inefficient public corporations and challenge the federal government to reduce Ontario's net outflow to other provinces in order to deliver fiscal measures to stimulate Ontario's well-being.

The private sector must lead the way in providing jobs. Thus, uncompetitive corporate taxation and red tape discourage investment and should be avoided in an economy that is facing structural changes and numerous external challenges.

Reforming Ontario's tax system involves the early elimination of the capital tax by 2008, harmonization of sales tax with GST, reduction of the administrative and compliance costs and an overhaul of the property tax and assessment system in the province. Our municipal property taxes have become a significant burden to businesses and individual property owners. Yet the system remains flawed and unfair, given disparities in tax rates and assessment values for comparable properties across 280 regions within the province. Businesses pay a higher rate than residential properties, and industrial properties are higher than even commercial tax rates.

In addition, unfair increases in assessments have encouraged municipal decision-makers to engage in creative budget process management.

The Chair: You have about a minute left.

Ms. Nazzani: Okay.

Municipalities are unable to cope with their budgetary pressures and even less with the need to provide a better

business climate for their taxpayers. Therefore, the chamber is urging the province to reform and improve the overall taxation system.

Last, commit to an energy price and supply plan. The business community is making investment decisions based on the costs of doing business, and that includes the cost of utilities. The chamber urges the government of Ontario to immediately pursue a balanced supply strategy in order to provide an affordable source of baseload electrical power and support economic prosperity.

The chamber has worked hard on addressing these key issues that will lead to economic development and growth, and expects the province to prioritize and implement action steps: government infrastructure funding; economic development, in particular our manufacturing sector; a fair and competitive tax regime for a balanced budget; and a focused energy plan.

Thank you for the opportunity to present our views.

The Chair: Thank you. This rotation goes to the official opposition. Mr. Barrett.

Mr. Barrett: I would thank the Windsor chamber for testifying. My colleague may have a question as well.

You mentioned, I think it was, an 8.9% unemployment rate. We're aware of the impending Ford plant closures and job losses at the casino. One other issue: I just took a taxi across town, and he described the transportation infrastructure as a real mess. There don't seem to be overpasses for railways; international traffic and local traffic are coming up against each other. We know some plans were in the works. Is there any progress on that, or anything that you can explain to us?

Ms. Nazzani: You know what? That has been our biggest concern, that so much time has passed and there have been no new commitments, no new decisions. This process is taking much too long, and while we've been providing guidance and certainly have supported the DRIC process, we feel at this point that more needs to be done.

Certainly, communication is key. We are unaware of any significant movements or changes, I would say, in the past 12 months.

Mr. Hudak: Another important part of the business sector is the hospitality sector, which has been hard hit by a number of issues, some of which you have addressed. We've recently heard that Dalton McGuinty has announced his own McGuinty smokers' palaces at the casinos, which were not afforded to the hospitality sector, which has seen significant drops. What have you seen in terms of the loss of business to your members in the hospitality sector?

Ms. Nazzani: In surveying our members, across the board, business have certainly felt the effects of the anti-smoking legislation. To give you an example of something in terms of the entertainment business, the classic bingo halls, we had 47 bingo halls in the city of Windsor. We have now been reduced to five. That is significant. In driving around the city, where our once very vibrant communities, our Italian village, our downtown restaurants were filled, you'll find now that they just cannot seem to bring those people back.

It's a compound effect. However, the fact that it hasn't been addressed is certainly a concern—compounding Canadian dollars, certainly 9/11 in the early stages, anti-smoking, all of which are tremendous threats for our community, in particular being a border city. I think that's really the emphasis that we're trying to make today: that you need to take a look at our local economy, our local region. It is a tremendous asset to the province of Ontario, and the significance of what's happening here should be addressed.

Mr. Hudak: Windsor, in many senses, is almost a poster child for the problems in Ontario's economy with the significant layoffs. My colleague mentioned manufacturing, the auto parts and auto sector, and the hospitality industry is particularly hard hit. You mentioned as well that you're concerned about the competitive nature of our tax regime in the province of Ontario.

1540

Ms. Nazzani: That's right. Let me say that we really are a prelude of what's to come. We are the first to feel the effects of many of the changes that you make and what is happening in the United States. Certainly, whatever messages we promote and we deliver are heard because of our proximity to the United States. So it's critical that there be a focus there.

I'm sorry, your question? I may have—

Mr. Hudak: Tax competitiveness. Are there particular tax issues that you'd like the committee to address?

Ms. Nazzani: Yes. Again, more felt here than anywhere else because when investment decisions are made—given our proximity to the United States, they are a real and live competitive jurisdiction, unlike some of the other cities in Ontario.

We need to make sure that Windsor is vibrant, because it just feeds the rest of the province. If businesses feel good about investing in Canada and choosing Windsor over somewhere like Detroit and the Michigan area, that certainly bodes well for the rest of the province. It eliminates a competitor.

We feel it not only with Michigan; we feel it with the rest of Ontario. In some of the areas like Ontario's property tax and assessment systems, here we're competing with our own neighbours. It's utterly unacceptable that we should be competing—there should be a fair system across the province. So that should not be a factor in our competition.

The Chair: Thank you for your presentation.

Ms. Nazzani: Thank you for your time.

ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

The Chair: Now I call on the Ontario Association of Children's Aid Societies to come forward, please.

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

Ms. Jeannette Lewis: Thank you. I'm Jeannette Lewis, executive director of the Ontario Association of Children's Aid Societies. With me is my colleague Steve Woodman, director of corporate services. We appreciate the opportunity to present today.

As well as the oral presentation that has been circulated, we will be making a more detailed written submission. We trust that the research, analysis and information will be useful to the government as it prepares the 2007-08 budget.

In our presentation, we want to touch on three key issues: the Child Welfare Transformation agenda, the required standards for children's aid societies and the 2007-08 budget requirements.

I'm sure that everybody on the committee is aware of the Auditor General's value-for-money audit that made many recommendations for improvements to children's aid societies and also within the Ministry of Children and Youth Services. Our minister is on record with her commitment to implement all of these recommendations, and our association is also on record to act swiftly to implement the recommendations and to provide a public report.

In terms of the new legislation, I'm sure you're aware that Bill 210, An Act to amend the Child and Family Services Act, was proclaimed on November 30, 2006. This act provides for the legislative implementation of the Child Welfare Transformation agenda. We would congratulate the government for this legislation, which will improve the lives of many children.

The implementation of Bill 210 is now under way and, as it proceeds, we're becoming aware of the cost implications of the changes. The ministry has provided funding for transformation changes, but projections from agencies indicate that this funding may be inadequate. For example, early in 2006-07, agencies projected that they would spend \$41.4 million on transformation service changes, but only \$10.5 million in direct support was made available to the agencies.

At this time, it's difficult to estimate the full costs of implementation because not all of the policy requirements have yet been released. But we certainly know that the announcement by the ministry of \$38 million for 2007-08 to cover transformation costs will be needed. We would urge the government to review this amount to ensure that all of the costs of mandatory changes in agencies are fully funded. So that's our first recommendation.

The new funding model for children's aid societies is not yet fully developed. We look forward to the implementation of funding for northern remoteness and French-language services, as has already been committed. Additionally, we urge adequate funding to build capacity for culturally appropriate services for aboriginal children. Our second recommendation is that the 2007-08 child welfare allocation include sufficient resources for northern remoteness, French language services and aboriginal children.

I'll turn now to standards. Children's aid societies face ongoing challenges in meeting legislated standards for

service delivery. The ministry is responsible, under the Child and Family Services Act, for establishing minimum standards for service delivery, which are legislated. It is impossible for children's aid societies to meet the numerous existing standards within the current resources. In the presentation, I've listed the broad categories of these standards. I won't read them all but certainly would highlight the timelines and requirements for assessment and investigation, proper monitoring of children, regular visitation, requirements for supervisory review, requirements for extensive background checks for kinship placements and kinship in-care services, and reporting and resolving and tracking client complaints.

To make this even more complicated, most of these standards have recently been changed to meet the new requirements. The Auditor General made extensive observations regarding service standards and I want to assure you that children's aid societies want to meet these standards, but they must be given resources that are consistent with the expectations.

Given the present resources and the workload implications for social workers, children's aid societies are unable to meet these required standards, and this places children at risk, which leads to the third recommendation: OACAS recommends an immediate review by an objective third party of all existing standards and those that were recently put into place following the proclamation of Bill 210. The review will assess the risks of the current inability to meet the standards, as well as the resource implications for the government of Ontario to ensure the capacity of each children's aid society to meet these standards.

One of the ways to assist societies in meeting the standards is the implementation of a single information system for all 53 societies. In 2004, OACAS received \$12 million from the Ministry of Finance through Strengthening our Partnerships to develop and implement a single information system. Substantial progress on this development is under way. We're about to begin pilot-testing this in three agencies in April 2007. We plan, according to our contract, to present a business plan that will include a request for funding for full implementation across all societies. This business plan will be submitted by October 31, 2007. I think it's very important for this committee to recognize that funding the full implementation of a single information system across Ontario will provide standard and reliable data for the province and for the societies and will thus improve accountability.

Our fourth recommendation is that you consider the allocation of sufficient resources to fund the full rollout of the single information system beginning in 2007-08.

I'll now turn this over to my colleague Steve to present the 2007-08 funding requirements.

Mr. Steve Woodman: Thank you, Jeannette. The OACAS recognizes that the government has provided substantial support to child welfare and has made services for children across all sectors a priority. I would

like to present several factors that will have an impact on children's aid budgets next year.

The service volume increases are projected to increase by approximately 2%. Salaries in child welfare are likely to increase 3% as multi-year collective agreements specifying this amount are currently in place in most societies. Given that we have a youthful workforce, significant movement through the pay grids is also anticipated.

Our members advise us that rates for purchased group care are showing indications of increasing at an alarming rate. The group home per diem rates are set by the Ministry of Children and Youth Services and have been increasing at rates far above cost of living for many years. Given that group care expenditures constitute almost one quarter of our costs, this has been one of the largest factors in the increase in costs in child welfare.

The cost implications of the requirements of the Bill 210 proclamation are not yet known. While it is hoped that over the medium to long term the more family-based intervention strategies will decrease the number of children coming into care, there are both start-up and ongoing costs associated with this that need to be fully recognized. The costs of health, dental benefits and LTD have been growing at rates of two to three times inflation. Insurance costs in child welfare are forecast to increase at almost 10%.

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As a result of the implementation of the youth justice act, more children are in the care of children's aid societies. These youth tend to require placements in high-cost group homes. Continued lack of service for children in mental health centres affects both volume and costs of CAS service. Not only are a number of children unable to access necessary mental health services, they often require expensive care that does not exist in current placements. Workload language is becoming increasingly common in collective agreements. The issue of workload was noted in the Auditor General's report on child welfare as requiring review by MCYS.

Overall, children's aid society expenditures are anticipated to increase between 5% and 7%. This funding will be required on top of the currently projected deficit of 3.7% in the current fiscal year. OACAS recommends that the deficit for 2006-07, currently projected at \$48.6 million, be fully funded and that the 2007-08 increase in net expenditures forecast at between 5% and 7% for children's aid societies be fully funded as well.

In conclusion, it is important to remember that child welfare costs increase dramatically when the economy weakens. Given the strength of the Ontario economy for the last number of years, the current expenses in child welfare are likely at a fairly low point in their cycle. If the economy weakens, there will be strong upward pressure on costs in this sector.

This brings us to the close of our presentation. We thank you for your attention, and we are pleased to answer your questions.

The Chair: Thank you. The questions over the next five minutes will go to the NDP. Mr. Prue.

Mr. Prue: I have a number of questions, all related, I guess, to finances. I'd like to go down your funding requirements. The first one is the service volume increase of 2%. The population is not increasing by 2%. Why is your service volume going up faster than the population rate in general?

Ms. Lewis: There are several factors that would relate to that, Mr. Prue. We're still experiencing some of the increase that is cited in the Canadian incident study and the Ontario incident study that relate to the inclusion of neglect in the legislative amendments that were implemented in 2000, as well as the continuing acceleration of violence in our society. The last incident study spoke extensively about the effects of emotional abuse and the increased rates of reporting of children who are subjected to domestic violence. These are some of the factors that continue to put pressure on the service volume at children's aid societies.

Mr. Prue: You talked about how per diem rates are set by the Ministry of Children and Youth Services and have been increasing at rates far above the cost of living for many years. You said it was one of the largest factors. How do you see that improving? Does the government need to give you more money, less money? What does the government need to do?

Ms. Lewis: I'll start and maybe Steve can add something to this. The Ministry of Children and Youth Services approves the boarding care costs for the operators who run these private group homes. The children's aid societies, however, aren't funded at the same rate, so this gap is ever-increasing. There is a corridor approach to volume of children going into group care. However, there is a big gap between what the costs are in the approved rates—plus, on top of that, special rate agreements—and the actual funding that children's aid societies get. So every time a society, particularly a smaller society, admits a child that needs high-cost group care, this can sometimes increase their deficit, their spending, by \$300,000 to \$400,000 a year. Those costs are significant, and our funding model hasn't captured a way to fully manage these kinds of costs of care. I'm not sure if there are any comments you'd add to that, Steve.

Mr. Woodman: Going forward, one of the ways we hope to reduce this is by developing a shared-service model that we're also asking for some funding for. We're hoping through this mechanism to negotiate better rates with the per diem operators and put in better accountability mechanisms to monitor the quality of service within those.

Mr. Prue: I think I have time for one more question.

The Chair: Yes, you do. Two minutes.

Mr. Prue: I'd like to come down, then, to your final recommendation and, I think, the most important one: The OACAS recommends "that the deficit for 2006-07, projected at \$48.6 million, be fully funded" and then an additional 5% to 7% also be fully funded. How much are we looking at in total cash?

Mr. Woodman: The increase of 5% to 7% would be between \$66 million and \$92 million additionally.

You're probably looking at a sector allocation for child welfare agencies of a little over \$1.4 billion.

Mr. Prue: All right. It seems to me that the math is right. It's about—

Mr. Woodman: About \$115 million.

Mr. Prue: —\$115 million on \$1.4 billion, so that's about a 10% budget increase from what you had last year. Is that fair enough? Maybe not quite 10%.

Mr. Woodman: Not quite 10%.

Mr. Prue: All right. Would that nearly 10% increase be enough for you to overcome some of the difficulties that were enunciated and spelled out by the Ombudsman's report?

Ms. Lewis: The Auditor General's report.

Mr. Prue: Sorry, the Auditor General's report.

Ms. Lewis: With some provisos, because we've also recommended that there be a review of the standards to

which children's aid societies must comply. We would be hopeful that rather than having a multitude of standards, there could be some key standards identified and that children aid's societies comply with these.

Back to your question: It would be the desire of the child welfare field to have a funding model that adequately deals with the needs of protecting vulnerable children in Ontario. We've not yet been able to achieve that, and every year we're faced with dealing with a deficit budget, looking for more money. As one of the earlier speakers whom I was fortunate to hear stated, it's very important to get to a system where the province really is able to fund the needs of vulnerable populations and to do so adequately.

The Chair: Thank you for your presentation.

This committee is adjourned.

The committee adjourned at 1558.

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