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Wednesday 31 January 2007

**Standing committee on
finance and economic affairs**

Pre-budget consultations

Journal des débats (Hansard)

Mercredi 31 janvier 2007

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: Douglas Arnott

Président : Pat Hoy
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Wednesday 31 January 2007

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PRE-BUDGET CONSULTATIONS

The committee met at 0902 in the Ramada Inn on the Bay, Belleville.

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. We're pleased to be in Belleville this morning.

**COUNCIL OF ONTARIO
CONSTRUCTION ASSOCIATIONS**

The Chair: I understand that our 9:45 deputation is here, the Council of Ontario Construction Associations. 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 give your name for the purposes of our recording Hansard.

Mr. David Surplis: I'm David Surplis. I'm a past president of the Council of Ontario Construction Associations. I'm here on behalf of David Frame, the president, and Karen Renkema, the vice-president, who are having their annual general meeting today. As you know, you can't be in a couple of places at once, so they dragged me out of retirement. Of course, I can't golf today anyway.

I'm very pleased to be here. As Mr. Arnott could probably attest, it's about my 25th time before this committee over the years.

Mr. Tim Hudak (Erie-Lincoln): Do you get your way?

Mr. Surplis: Sometimes, and you'll hear a little more about that in a minute, Mr. Hudak.

I must say, by the way, good morning to my member, Mr. Prue. I'm a Beacher born and bred.

Mr. Michael Prue (Beaches-East York): All right.

Mr. Surplis: At any rate, I'm pleased to be here and pleased to see the committee on behalf of COCA. I always start by saying that I'm usually disappointed with MPPs because if you wake up most of you in the middle of the night and say "construction," you all say "housing." Well, we're everything else but. We represent the people who build the highways, the skyscrapers, the hospitals and all those good things, except housing. We represent about 10,500 companies in Ontario, hiring, as you'll see by Karen's careful work and research, some-

where over 400,000 employees in Ontario, which is wonderful. It's growing. We'll say a little more about that in a minute.

The Council of Ontario Construction Associations has had a mandate since the mid-1970s to speak for the non-residential construction sector. Of course, construction is a derived demand, so in our sector we rarely build things on spec. Somebody has to have an idea and want to invest somewhere, and that's what happens: We come along and produce all that material. So we're very alert to any and all aspects of the economy that impinge on growth and development. We always encourage the government to remove barriers, any kind of frustration to economic growth and investment in Ontario. Of course, we have urged all governments over the years to try to reach a balanced budget as soon as possible to allow the benefits of that boon to filter to all Ontarians.

One of the things that has puzzled me for all those years that I have been here—we talked to Mr. Davis's government, we talked to Mr. Peterson's government, we talked to Mr. Rae's government, we talked to Mr. Harris's and Mr. Eves's government, and now the McGuinty government—is that we have said over and over and over that the government of Ontario is losing millions, in fact billions, of dollars every year to the underground economy, and not one government has ever done anything about it, none of the governments. We have not seen any action on that front, and we can't understand it.

You're being shortchanged in terms of personal income tax, corporate income tax, employer's health tax. In particular, what really bothers us in the construction industry is how much is lost to the underground economy at the Workplace Safety and Insurance Board—hundreds of millions of dollars a year—and it produces very awkward and unfortunate disruptions in the marketplace. Those who dodge their payments at WSIB—and they can be as high, I would remind you, in construction as 15% in steel and demolition, you know, the more dangerous areas—if they're not paying that, they certainly have a leg up on anybody they're bidding against who does pay that.

So we're always imploring the governments to do that. In that regard, by the way, it always is intriguing to talk to people about insurance—Workplace Safety and Insurance Board. Every one of you has a health card here, and you have a pink card for your automobile or truck or whatever; you have insurance. Insurance is issued on an individual basis 99% of the time; workplace safety and

insurance is not. It's based on payroll, and it is so easy to dodge that, to duck that, to fudge the figures. It doesn't make any sense. We have urged the governments for years, "Please have a look at getting the WSIB"—and I know it isn't your mandate; it's a one-off—"to go to a name-insured system." Name the workers; have them covered by name.

We want to congratulate again, not just Mr. Caplan, but the entire government, for creating for the first time a very viable, valuable and reliable source of funding for infrastructure renewal. Again, to answer Mr. Hudak, we finally got an answer on that. We urged governments for years to put money aside on a longer-term basis, and that's what Mr. Caplan has done, and we're delighted. The only thing we urge is that actually a good part of that plan be put into place: shovels in the ground rather than simply announcements. But that's fine, because infrastructure investment is just that, an investment; it is not a cost, not an expense.

Again, we want to thank the government for the apprenticeship tax credit, but we would tell you—and you'll see it elucidated in the works here of Ms. Renkema—that there is very little uptake in the construction industry. There are a variety of reasons for that, one of which is that our apprenticeships tend to be longer than other industries—four or five years and sometimes longer. The tax credit doesn't extend to the latter years of an apprenticeship, which has a couple of effects. One effect is that people say, "Well, why bother? It's not going to carry all the way through anyway." Secondly, we have a huge problem with retention of apprentices: getting them up to the third or fourth year and then making sure they stay. Well, lots of the time, as you know, with the cycles in construction, they can't get enough work when they leave anyway, but especially they can be discouraged when they don't have enough funding, either through their employer or other ways. We're suggesting that this committee suggest to the Ministry of Finance and the Ministry of Training, Colleges and Universities that the apprenticeship credit be revisited and renewed, of course, in 2008, but also with some expanded parts specifically for the workers: assistance to the workers for those in-course periods of time while they're doing their apprenticeship.

0910

I think those are the main highlights. We could go on at great length about things.

By the way, just one last word: While we're so happy with the thrust of public infrastructure renewal in Mr. Caplan's work and Mr. Sorbara's work, we have been very disappointed and we're all taken aback by the heavy-handed approach of the Ministry of the Environment. We see, especially in Bill 133 and the regs that will be coming out too soon—and I'll explain that in a second—a discouragement of business. It's just too much. Nobody is opposed to environmental legislation. Nobody is opposed to "You spill, you pay." But Bill 133 and its regs are far more than that. In fact, you don't even have to spill; you'll get a penalty anyway. It's far too

convoluted. COCA has offered to help, along with the business coalition called CASE, to sit down with the government and make it work. We're not opposed to it; we just want to make it work. We don't want it to be heavy-handed, and it is just that. Not only is it heavy-handed, but if the regs for Bill 133 were to be published this Sunday in the Gazette, our businesses would have somewhat less than 90 days, until May 1, to prepare for these onerous requirements. That's an impossibility, an absolute impossibility, even for Imperial Oil or Inco, the huge companies that have all kinds of things in place. May 1 is just too soon, among other things, and there are all kinds of penalties. What we see in construction is a worry that it will discourage investment, and that's the last thing we want for the construction industry.

Anyway, I hope I've left some time for questions.

The Chair: Yes, there is. Thank you for your submission. The first round of questioning goes to the official opposition.

Mr. John O'Toole (Durham): Thank you very much for your presentation. Indeed, I agree that you have appeared relentlessly over the years. I'm happy to see that you've made actual recommendations here, one of which is not a surprise: the WSIB issue, with respect to comparing it to an insurance plan, as opposed to an employer-employee pay plan and the loopholes in that.

I'd like to concentrate on your recommendation number 6: the apprenticeship tax credit. The apprenticeship system itself is important because there's a skilled trades shortage; we all recognize that. What innovative approach would you take, in terms of some of the issues that are—your recommendation number 1 is eliminating barriers or red tape to enhance the employer's opportunity to engage more young people with the staying in school till 18 program and all this kind of stuff.

The ratios seem, to me, to be a barrier. In other words, some trades require that you have so many journeymen on the job, with respect to how many apprentices you're allowed to carry. With the new technology and innovation in industry, some of the trades are having a hard time keeping up with the crossover relationships between some of the trades. Can you give this committee any ideas, outside of the tax credit—which I would support—that would allow them to engage more apprentices? Is there any solution to this trades ratio issue?

Mr. Surplis: You hit on a couple of very important points, one of which is that in fact employers don't know enough. There isn't much outreach from the Ministry of Training, Colleges and Universities. It's ironic in a way, too, that the tax credit is a creation of the Ministry of Finance, yet the uptake would be with the Ministry of Training, Colleges and Universities. We're not sure they're pulling on the oars together on that one. That aside, employers don't know enough about outreach and available plans and all those things.

Ratios is a problem—well, it's not a problem. In the unionized sector, they'd bargain these things, and that's exactly what they do. One of the things I've noticed all

these 20 years or whatever I've been with the construction industry: There's a lack on the non-unionized side of uptake for any kind of training. So I think there has to be all kinds of programs, but first I think there has to be outreach to let people understand what's there and what's needed.

Mr. O'Toole: Yes, I guess my question more specifically, if I may, Chair, is that we had a piece of legislation at one time. It was the apprenticeship reform act, which eventually got dropped. The reason was, there was such opposition to it because it was going to change the ratios of how many journeymen on-site before you could engage one apprentice. In some cases it was five or six journeymen that you'd have to have. Some smaller employers would never have enough journeymen to qualify to bring in apprentices.

Mr. Surplis: Absolutely true.

Mr. O'Toole: That's the problem that I see as the biggest barrier.

Now, another thing is, if you have a journeyman who is, say, an electrician and wants to become a millwright, he's going to have to go through the same five-year deal, when many of the core skills in this digital technology era are common between trades. They should be given prior learning qualifications from their previous trade. Would you agree with that small change, or can you bring any suggestion, other than just a tax credit?

Mr. Surplis: Well, Mr. O'Toole, it's such a complicated thing, and COCA treads a very fine line. Approximately half of our members are unionized and half aren't, so we have no position, literally, on a number of these issues because we have to keep all our members happy. I'm sorry to say we don't have that.

The Chair: Thank you for your presentation.

For the committee, our 9 o'clock presentation is delayed. They're in some icy road situations.

ONTARIO VETERINARY MEDICAL ASSOCIATION

The Chair: Now I call on the Ontario Veterinary Medical Association to come forward, please. Good morning, gentlemen. 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.

Dr. Reg Reed: Good morning. I'm Dr. Reg Reed, president of the OVMA. I'm a mixed-animal veterinary medical practitioner in the small town of Mitchell in Perth county. Joining me today is the executive director of the OVMA, Doug Raven.

I'd like to thank the committee for allowing the Ontario Veterinary Medical Association to present to you today.

OVMA's mandate is to advance and promote excellence in the veterinary profession in Ontario and to contribute to the betterment of animal health and the protection of human health. As was mentioned when we presented to this committee last year, people often do not

think of veterinarians when they think of bettering human health. They may also not think of veterinarians when considering the province's economic health. But Ontario's veterinarians play a vital role in the health of Ontario residents and its economy.

In rural communities across Ontario, farmers raise cattle, pigs, sheep, chickens, turkeys and other animals to make up Ontario's livestock and poultry sectors. As noted in the province's 2006 Economic Outlook and Fiscal Review, Ontario has the largest agriculture sector of any province, with sales of \$8.2 billion. Of that amount, 55%, or \$4.5 billion, is derived from the livestock and poultry sectors.

Now, we all know the challenges currently facing Ontario farmers. It's not easy making a living as a farmer in the 21st century. As a food animal veterinarian, it's my job to work with my farm clients to ensure a healthy return on their investment. It's also my job to make sure their herds or flocks are protected from diseases that could devastate their operation. The working partnership between farmers and veterinarians is essential to the protection of Ontario's food animal sector.

Veterinarians' role in human health is twofold: First, we ensure that the food animals are being raised and slaughtered in a manner that ensures that the food placed on Ontario residents' tables is safe to eat. Second, by ensuring that anti-microbial drugs are used in food animals in an appropriate fashion, we work to limit the negative impact of anti-microbial resistance in the human population. This is a growing concern.

0920

Veterinarians take great pride in the role we play in human health and the health of Ontarians. It's a job we believe we have done extremely well. Unfortunately, it's also a job that's becoming increasingly difficult. From mad cow disease, which is a poor nickname for BSE, to SARS to avian flu, more and more animal-borne diseases are threatening our food animals and, in turn, putting Ontarians at risk. The list of potential threats continues to grow: West Nile virus, canine influenza, circo virus in pigs and more. As each new disease enters Ontario, the potential for a catastrophic event, one which causes a livestock or poultry sector to crumble overnight, grows.

Every time I set foot on a farm, I use my education, skills and expertise to determine if there is a potential risk that a harmful disease is located within the herd. When a risk is identified, veterinarians have protocols in place to ensure that potential disease does not leave the farm. Obviously, having a strong working relationship with the farmer allows us to act as disease sentinels effectively and efficiently.

Our third partner, and this is a vital one, is you, the government. Through the Ontario Veterinary Medical Association, the veterinary profession works with MPPs and ministries across the government to further initiatives that benefit Ontario's human and animal populations. Mr. Raven will provide you with a few examples of those initiatives.

Mr. Doug Raven: Thanks, Reg, and good morning, everyone.

First of all, working with the Ministry of Citizenship and Immigration, the College of Veterinarians of Ontario and the Ontario Veterinary College, we have established the veterinary skills training and enhancement program, or VSTEP, which is designed to assist internationally trained veterinarians to become licensed in the province of Ontario. The program's first participants completed the program in December and will soon be writing their clinical proficiency exams. We're confident that as a result of the program they will do extremely well, and we look forward to having them join the profession as full members of the profession, licensed in Ontario, in the near future.

We have also entered into an official partnership with the Ontario Women's Directorate to expand our safe pet program. Unfortunately, many women who are suffering at the hands of an abusive spouse will not leave that situation because they are concerned about the potential harm that may befall their pets if those pets are left behind. The safe pet program provides temporary housing for the pets of these abused women looking to escape their abusive environment by entering a shelter. Veterinarians take in the woman's pets while she makes alternate arrangements for their care. The pets are housed, fed, exercised and provided with any necessary medical care at no cost to the woman in the shelter. Our new partnership with the government will expand the availability of this free service across Ontario so that we can assist an even greater number of women in need.

We're also working with the Ontario Seniors' Secretariat to help publicize the association's charitable arm, the Farley Foundation. Every year, the foundation subsidizes the cost of veterinary care for hundreds of low-income seniors and people with disabilities across Ontario. Since 2002, the foundation has disbursed almost \$250,000 to help the elderly and disabled who have pets and who are in need and who have a particularly important need for animal companionship, which is often their only companionship within the home.

We also know that cruelty to animals has been demonstrated to often be a precursor to cruelty in humans. We have therefore been working with the Ministry of Community Safety and Correctional Services to advance animal and human welfare by asking that it be made mandatory for Ontario veterinarians to report all suspected cases of animal abuse. This would be more work for veterinarians, but it's the right thing to do.

We have also established a new MPP link program. Every MPP across the province has a veterinarian in his or her riding that he or she can call on to respond to any questions from constituents regarding animal-related issues or if the MPP has concerns about animal-related policies and practices. We believe partnerships at the local level are critical.

Of course, we've been working with the Ministry of Agriculture, Food and Rural Affairs on a variety of food animal issues, particularly those pertaining to disease control and food safety. We are very pleased that the ministry is considering the adoption of a formal animal

health strategy and that we are working with the ministry on that initiative.

Dr. Reed: We feel it's obvious that veterinarians are an integral part of the health care profession, benefiting both animals and humans. Yet because veterinarians are regulated under the Veterinarians Act, not the Regulated Health Professions Act, we sometimes get lost in the shuffle when legislation amendments are being considered by the government. In 2005, we were very pleased to hear that the province was introducing legislation that would, subject to the enactment of appropriate regulations, allow health care providers with professional corporations to reduce their families' income tax burden by allowing family members to become non-voting shareholders in their incorporated business. This was exceptionally good news for food animal veterinarians such as myself who, together with farmers, are trying to recover from particularly hard times following the closure of foreign markets to live cattle due to BSE. At the same time that we needed to be even more diligent in the early detection of potential disease within animal herds, farmers hit hard by the impact of the border closing could often not afford to call a veterinarian to attend to their sick animals.

The policy change announced by the province appeared to offer some relief at a time when it was needed most. Not surprisingly, we were shocked and dismayed to find out that we were the only health care providers not to be afforded this opportunity to include family members in professional corporations. After meeting with the Ministry of Finance's adviser, we were told it was simply an oversight. As noted earlier, Ontario veterinarians are the only health care providers who are not regulated under the Regulated Health Professions Act, which was the piece of legislation amended to enact the change in that policy.

We understood the reasoning behind the oversight and we met with the standing committee on finance and economic affairs last year at this time to ensure that our omission was rectified in the 2006 provincial budget. We attended the pre-budget consultations with the minister as well. We also worked closely with the Ministry of Finance's tax policy branch and determined that the cost of extending this opportunity to veterinarians is so minimal that the funding set aside for doctors and dentists would also cover veterinarians. This policy change would have a very small impact on the provincial coffers. It could be of significant benefit to many veterinarians, food animal producers and the people of Ontario.

You might say, "How the people of Ontario?" It was noted a year ago that, over the last few years, declining veterinary revenues in rural areas have forced many veterinarians to give up food animal practice. This has exacerbated a trend that is already under way: an ongoing decline in the number of veterinarians practising in rural and remote communities as more and more veterinarians find that it is simply not economically feasible to operate a veterinary practice in some of those areas. This change in legislation would help.

As a result, there are now areas in the province without ready access to veterinary care. Given the role that veterinarians play in disease identification and prevention and the growing connection noted earlier between animal and human disease, this should be a concern to every Ontario resident.

OVMA is actively seeking ways to assist veterinarians to stay in these remote and rural areas without placing an even greater financial burden on the already beleaguered farmer.

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

Dr. Reed: We could see no reason for our omission from this policy change affecting all other Ontario health care providers not to be rectified in the 2006 provincial budget—but it wasn't. So here we are again today asking that veterinarians be included in this policy in the 2007 provincial budget. It is something worth fighting for. The Minister of Agriculture, Food and Rural Affairs agrees. I believe the chairman of rural caucus agrees. We have not come across a single MPP yet who doesn't agree that veterinarians should be included in this policy.

At the OVMA, we'll continue to encourage veterinarians to play proactive roles in our communities through the many new government partnerships and programs we've developed in recent years, as Mr. Raven previously outlined.

I want to be able to tell our members that the government recognizes the value in what we do. I do not want to go back to them yet another time with no reasons as to why the government is not recognizing veterinarians as the essential health care providers that we are.

We thank you for your time to hear our presentation. Mr. Raven and I will be happy to answer any questions that you may have.

The Chair: Thank you for the presentation. This rotation goes to the NDP, Mr. Prue.

Mr. Prue: I'd just like to go to the end, to appendix A, where you have set out the approximate cost of this, being some \$2 million. Is that a correct assumption? You've got here that David Weyman is an expert on government tax policy. Has this been vetted by anyone? Is \$2 million a realistic figure?

Dr. Reed: Yes, it has been looked at.

Mr. Raven: Yes, and Mr. Weyman met extensively with staff and the Ministry of Finance before arriving at that figure. We are confident that is an accurate amount.

0930

Mr. Prue: Did the Ministry of Finance or the minister give you any indication why they did not proceed a year ago? I know that the recommendations were made. You got support from this committee and you got support from the Minister of Agriculture. I don't understand why.

Dr. Reed: We're perplexed too. We don't understand that at all. We think it's a huge oversight and we're asking again that this year it be corrected.

Mr. Prue: Have you had any indications from his office that he's willing to bend, change or that he's even mildly interested?

Dr. Reed: His assistants have said that of course they consider us to be health care providers, that it was simply an oversight and that they would do it, and I think it's been an oversight again.

Mr. Prue: I don't really have any more questions other than that. All I can say is that I hope my colleagues will join and ask them again. I would hope that the chair of the rural caucus will lead the charge.

Dr. Reed: Thank you very much.

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

Mr. Hudak: Chair, if I could, about Dr. Reed's and Mr. Raven's presentation: As the gentlemen know, I had actually brought forward a private member's bill to correct this oversight in early 2006. Perhaps through research we could come back with an indication through the Ministry of Finance if they'd be supportive of the private member's bill or if the Ministry of Finance plans to correct this obvious oversight in their upcoming budget.

The Chair: Research will undertake that.

Thank you for your presentation this morning.

ASSOCIATION OF COLLEGES OF APPLIED ARTS AND TECHNOLOGY OF ONTARIO

The Chair: I call on the Association of Colleges of Applied Arts and Technology of Ontario 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. Linda Franklin: I'm Linda Franklin.

Mr. John Rigsby: John Rigsby.

Ms. Maureen Piercy: Maureen Piercy.

Mr. Bill Summers: Bill Summers.

Ms. Franklin: Thank you. I'm pleased to be here today as the new president of ACAATO, representing Ontario's 24 colleges of applied arts and technology. I know I've worked with a lot of you in my previous role at the wine council. This is my first official public presentation on behalf of this wonderful sector, the college system.

I'm joined this morning by Maureen Piercy, the president of Loyalist College; Bill Summers, the vice-president of research and policy at ACAATO; and John Rigsby, the vice-president of finance and administration at Loyalist. Maureen and I are going to divide our time this morning. I'm going to provide an overview of the situation facing colleges. Maureen will outline the specifics of our request for adequate resources to ensure a strong, vibrant college system going forward.

Much of our presentation today is going to focus on the government's Reaching Higher plan. We're going to talk about the important investments that Ontario has made in the college system, the results that have been achieved through new investments and the need to build

on those investments, and critically, to make sure that we don't slip backwards.

I think it's important to have a context for this discussion around why Ontario must invest and continue investing in higher education and training. To provide a bit of that context, I'd like to give you an example from my previous life at the wine council. When I started in the wine industry, we were a very small industry. As many of you will know, the industry has exploded over the last few years, in no small part due to partnerships with governments of all stripes over the years. We found ourselves, though, as the industry started to expand, sending our young people to California, to Australia, to New Zealand and to South Africa to train them, and not surprisingly, many of them stayed there when they were trained. As a consequence, we were importing highly skilled talent from South Africa, California and Australia to work in wineries in Ontario.

We were very concerned about that and spent a lot of time talking to Niagara College and Brock University. As a result of that, we now have training programs that mean that our young people can train for these highly skilled jobs in viticulture, in winemaking and in cellarwork and stay home when they get their training. We now have a workforce that's organic to Ontario where young people don't have to leave home to find work and find training.

The other thing, of course, is that it's great to have a highly skilled workforce, but you'd better be sure you have a market for the products they're putting out at the end. Today more than ever we are finding huge pressure from foreign markets, particularly Asian markets, around issues of food safety and traceability. If we're going to continue to have those markets and protect them, our workforce is going to have to be very skilled and well trained in how you manage that really important issue.

Loyalist College next year is introducing a three-year food science and food safety management program to try to attack exactly that issue, to make sure that we have skilled workers, so that when we go to Japan and Taiwan, we have those wonderful products in the marketplace. We've also addressed the global issues that those markets face when they decide whether or not to take Ontario products in. So these are just a couple of examples of how highly skilled workers are critical to the movement forward of the economy. We all understand, I think, that economic restructuring, global competition and technological change are producing huge pressures on Ontario employers to innovate and stay ahead of the competition. There's no question, I think, that the province's human resources, and highly trained human resources, are fundamental to that economic and social well-being that we all try so hard to protect.

I'm sure each of you is very well connected with your local colleges. You understand the breadth and the depth of programs provided in your community. Just to give you a perspective on Ontario globally, colleges graduate 60,000 individuals and provide apprenticeship training for 25,000 people annually. They're essential in meeting

the province's requirement for highly skilled labour. Colleges deliver responsive and high-quality programs to meet employer needs. Their graduates are the largest group in the workforce. Over 2 million workers are college graduates. They play a major role in almost every industry that we have and they give Ontario employers a critical edge in the global marketplace. For example, over a third of our manufacturing employees and almost half of our health care providers in Ontario have college credentials.

As many of you know, however, Ontario's colleges have struggled through years of underfunding. That's why we were so pleased as a sector to welcome the 2005 budget announcement of new funding for colleges as part of the government's Reaching Higher plan. The Reaching Higher plan, we believe, represented a long-term commitment to college education and training that was very welcome and focused on important priorities such as accessibility to higher education, quality programming and accountability to the public for the investment that's made in our colleges. I'd like to turn the presentation over to Maureen now.

Ms. Piercy: Thank you, Linda. Good morning. Thank you for this opportunity. Just to continue from Linda's comments, under the results of the initial implementation of the Reaching Higher plan of Premier McGuinty's government and your work, the colleges have invested these dollars very wisely and have delivered very tangible results. Across Ontario we have introduced 200 new programs, including new initiatives to better serve under-represented groups such as aboriginal students, francophones and students who are the first generation to attend post-secondary education.

I'd like to take a minute to share with you just a few of the number of improvements made here, locally, at Loyalist in the first two years of the implementation of your government's Reaching Higher plan. Among other things, we've introduced a number of new workforce-responsive programs. I can tell you about a couple of those. In response to area needs, we've introduced a child and youth worker program; an electrical technician program—one- and two-year programs in electrical techniques and technology to help with the skilled trade shortages in the area; an advanced animation program; and a very special program called military arts and science that was designed with the Department of National Defence, primarily for our colleagues, non-commissioned individuals in the Canadian Forces. This was done in partnership with CFB Trenton. This is available online to any member of the military around the world and it's a very impressive program. We have also added a number of full-time teaching and student success support positions at the college to work to enhance student learning, graduation rates and the skills that our graduates bring to the workplace. Those are just a few of the improvements at Loyalist that Reaching Higher investments have supported.

In our 65-page 2006 college results report, we provide a college-by-college breakdown of the improvements

we've delivered in quality, access and accountability. My colleague Bill is going to share a number of copies of that report with you. I hope you'll agree that it's a really excellent report card on the Reaching Higher investments to date.

Despite the initial Reaching Higher investments and the outstanding results, serious fiscal challenges face the sector in 2007-08 and beyond. Like many other organizations, colleges face unavoidable cost pressures such as the rising costs of goods and services, utilities and salaries and benefits. The work that we do is very people-intensive. Many of our employees are covered under collective agreements and these create ongoing incremental salary and benefit costs that are significant.

0940

In order to sustain the results achieved to date and continue the process of improving access and strengthening the quality of post-secondary education in the college sector, the sector requires at least \$160 million in new operating revenues for 2007-08. Based upon the existing funding commitments that we're aware of for the year 2007-08, the sector faces a \$90-million gap in operating resources.

While the Reaching Higher plan begins to reverse historical trends in college funding, and made a very important contribution by restoring about 25% of system funding that has been lost since 1988-89, several colleges are facing severe fiscal pressures and will likely have to make difficult choices in order to balance their budgets, or run deficits, or, in order to balance budgets, cut programs or services to our students and communities, or both of those options.

Unfortunately, despite the significant investments the current government has made under Reaching Higher, on a per-student basis funding for Ontario colleges continues to lag behind that in other provinces by a wide margin. In fact, we still are 10th out of 10 provinces. We know there are a number of issues related to that.

To secure and build on the continued improvement in access, quality and services for our students and communities, colleges need new operating grant investments of about \$90 million next year, as we mentioned. This increase will allow colleges to continue to address skill shortages and respond to employer requirements, improve access for under-represented groups and strengthen the quality of the learning experience by ensuring sufficient numbers of faculty and student support staff, increasing investments in outreach, particularly to under-represented groups and underserved groups in our society. The colleges really have a womb-to-tomb mandate, as I know you're well aware, from basic literacy to post-applied-degree education and by expanding our learning resources and student services levels.

Important as operating funding is, capital funding is also essential for the colleges to deliver high-quality, relevant programs. Quality learning environments must reflect current academic delivery practices and access to industry standard, state-of-the-art equipment and technology. Capital needs include instructional equipment,

significant amounts of deferred taxpayer investment in all of our facilities, new construction and renovations. There is an urgent need to begin providing stable and increasing capital funding to the sector to ensure that we have the infrastructure to provide the critical education that students and employers need and expect and that will support continuing prosperity in our province's economy.

In conclusion, funding allocated to colleges has the potential and the tangible demonstration to produce a very significant and measurable positive return on public investment in support of Ontario's prosperity. Conversely, a lack of funding could choke our colleges' capacity to contribute to and sustain provincial prosperity. All sectors of the economy and society and all parties have a stake in ensuring that we adequately invest in our future workforce. We would encourage you to support the need for continuing adequate investments in the colleges in order to produce long-term economic and social benefits.

We thank you for the opportunity to meet with you this morning and look forward to your questions.

The Chair: Thank you. The questioning will go to the government.

Ms. Judy Marsales (Hamilton West): Good morning. Thank you very much for your presentation and for joining us this morning.

We have a wonderful facility in Hamilton, Mohawk College. I have had the pleasure of meeting with MaryLynn West-Moynes many times and listening to some of the challenges that the sector faces. Certainly the leadership that the colleges have demonstrated through collaboration—particularly, in my knowledge, with McMaster and Mohawk College—is amazing as we move through a different generation of individuals learning and challenging new skills and so on.

My question to you is around the infrastructure and the capital needs. We've heard presentations in that particular area before. Do you have an amount that you're looking at in terms of individual organizations or an amount as a percentage in the sector at large?

Ms. Piercy: I'll ask my colleagues from ACAATO to comment on that. I can certainly tell you what our needs at Loyalist are specifically, as one example. Maybe I can just do that quickly. We consider ourselves to be the stewards of an \$80-million investment in our facilities by the citizens of Ontario. There is currently a list that was created by a third party. They reviewed all the colleges and our list, I believe, is at \$28 million of deferred maintenance needs in order to keep that investment of the citizens in good shape. We have an outstanding list of academic infrastructure and education instructional capital of \$3 million to \$4 million. We're currently able to invest approximately \$1 million in academic capital annually, which is quite insufficient, as you can imagine, for the 55-plus programs at these high applied levels. Again, due to deferred maintenance projects, as specialized funding becomes available we're very appreciative of that, but there's such a significant pressure built up that it's very significant.

I'll ask my colleagues from ACAATO to comment on the provincial number. But thank you for your question.

Mr. Summers: We've laid out in this submission and previously to the Treasurer what we think are some modest ways to begin to tackle a huge backlog. So we've put a request in for the return of investments in instructional equipment. For years, there's been dedicated funding for instructional equipment and, unfortunately, this year it wasn't resourced by the government. So we would like to see that returned and increased. We think that \$75 million annually can help to deal with the \$700-million shortfall in deferred maintenance.

Then the one other element, which is a bit more unique to particular institutions: In some of the urban areas where there's been tremendous enrolment growth and we expect demographic pressures for growth, there is actually a need for expansion for some of the colleges, because otherwise they're not going to be able to handle, physically, the future demand.

Ms. Marsales: I'd like to share some of my time with my colleague Ms. Matthews.

Ms. Deborah Matthews (London North Centre): Thank you very much. As I read it, the total ask is \$205 million on an annualized basis.

Mr. Summers: Correct.

Ms. Matthews: Can you tell me what percentage increase that would represent?

Mr. Summers: On the operating side it's \$90 million, so we always—and I think government tends to treat operating and capital a bit differently. Our overall expenditures as a system are \$2 billion, so the college system expenditures are roughly \$2 billion. There are obviously a number of revenue sources, but that's a ballpark.

Ms. Matthews: So you don't know what the number from the government is right now?

Mr. Summers: Yes, the government and tuition fees would be about \$1.5 billion of the \$2 billion, and then there are a number of other sources, including contract training—

Ms. Matthews: I guess I'm asking just from a government investment.

Mr. Summers: The \$1.1 billion is the provincial operating grant allocation.

Ms. Matthews: And you're asking for \$90 million over and above that.

Mr. Summers: Right, \$90 million.

Ms. Matthews: So that would be under 10%.

Mr. Summers: Right.

Ms. Matthews: And then on the capital side?

Mr. Summers: It's a huge number because right now the government gives us \$13 million a year for all capital needs. So it will be a very high percentage increase over \$13 million.

Ms. Matthews: But if I understood this correctly, you estimate \$700 million in deferred maintenance alone without even looking at the expansion of the students.

Mr. Summers: Exactly, and without the question of instructional equipment. Deferred maintenance, of course, is just a count on facilities, and the system as a

career education system has to have current instructional equipment for the programs.

Ms. Matthews: So really, once again, we're looking at cleaning up after years of neglect.

Mr. Summers: This is—yes.

Interjections.

The Chair: Order.

Ms. Matthews: Well, we hear it over and over again. It's a constant theme.

The Chair: Thank you for the presentation.

PETERBOROUGH COALITION FOR SOCIAL JUSTICE

The Chair: Now I call on the Peterborough Coalition for Social Justice 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. Joanne Bazak: Good morning. I'm Joanne Bazak. I'm an occupational therapist. I work at Peterborough Regional Health Centre in the schizophrenia clinic, and I'm involved in a coalition to address poverty issues.

Ms. Linda Slavin: I'm Linda Slavin, and I'm chair of the Peterborough Coalition for Social Justice. Both of us sit on the Ontario Coalition for Social Justice and I'm a co-chair of that group and the Ontario Needs a Raise campaign.

The Chair: You can begin.

0950

Ms. Bazak: Our purpose for being here this morning is to appeal for action on concrete solutions to poverty issues. As you know, I'm a psychiatric occupational therapist. I work in the community with people who are dealing with serious mental illnesses, primarily schizophrenia. As an occupational therapist, my role is to provide rehab for people, some of the most vulnerable citizens of our communities. How can I provide rehab services when the people who I am working with do not have an adequate income to pay for the most basic necessities of life—shelter, food, transportation, medical costs not covered under ODSP—and do not even have the most basic rights and dignities being met?

Poverty and the need for concrete solutions is one of the most urgent issues facing Ontario and our government today. This is a message of a broad cross-sectoral coalition that includes education, health, business, low-income people, businesspeople, minimum wage earners. There is not a sector that is not included in our coalition. So we are not speaking for, we are speaking with the voice of thousands and thousands of people across this province.

There is compelling evidence from multiple sources demonstrating that we do have a poverty crisis. One in six people and one in five children in Peterborough lives in poverty. That's 20% of our kids in schools. Hungry children can't learn.

It is not just the extent of poverty; it is also the depth. As indicated, the people who I work with are struggling on incomes that are thousands of dollars below what's known as the low-income cut-off, or what is commonly understood as the poverty line. The cost of poverty to individuals, families and our communities is unacceptable in our wealthy province. Evidence demonstrates that it's having a significant impact on health, education, productivity and well-being.

Poverty is the most important determinant of health. We pour millions and millions of dollars into health, and yet money to prevent people from developing illnesses such as diabetes, heart disease and other serious illnesses would prevent much of the illness and disability. Poverty makes people sick and prevents those who are sick from getting well. This is something I see every day in my line of work.

Despite this compelling evidence, despite solid recommendations from multiple sources, people continue to live in poverty. Recent evidence indicates that they're actually spiralling deeper and deeper into poverty. The tragedy of this is that it's unnecessary. We know a lot about the root causes and we know a lot about the solutions. This requires commitment from our government and from our communities to work together on the long-term and short-term solutions.

Ms. Slavin: Thank you very much for having us here today. We do apologize. We hit some nasty back country roads that slowed us down. We thought we'd better be here in person rather than send a note from the funeral parlour, so here we are.

This has been an ongoing concern of ours in Peterborough and, as you know, across the province. Let me give you a few Peterborough statistics. People living in poverty, municipal authorities, institutions and agencies—we're a community that really works together—are overwhelmed by the deepening poverty and how it is affecting us:

—One in five kids lives in poverty. Joanne has mentioned that.

—General food bank use since 2003 to 2005 has increased by 34.3%. That's a pretty high percentage.

—Single-parent families comprise 44% of food bank use.

—The county-city health unit shows that a single-parent family with two children on social assistance is lacking \$283 a month to meet basic needs. That's heat, hydro, food and rent, and they're still in the hole by \$283 a month.

—In Peterborough county and city, 10% of families and 37% of people who live alone live on low incomes.

—51.6% of renters spend more than 30% of their income on housing.

—At the housing resource centre, 87% of clients reported income below the poverty line. So we have a community that's in crisis.

We had a consultation in January. We had over 25 organizations there. We identified over 53 organizations in Peterborough working on poverty issues. When we put

all our priorities together, they came out like this: (1) income security; (2) food security; (3) housing security; (4) electoral reform, surprisingly—

Mr. Hudak: Really?

Ms. Slavin: Yes. I'll go into that if you ask me a question—and (5) access to publicly funded education and health care.

The mayor of Peterborough, Paul Ayotte, who I believe has presented to this committee as well, has appointed a committee to explore poverty reduction strategies, and the community is really willing to come together on this issue. It's quite a strong mobilizing idea. However, we are all clear that the basis of positive change lies in income security for our most vulnerable citizens: those on Ontario Works, Ontario disability support program and those earning minimum wage. The systemic poverty among these groups is something the provincial government has to recognize is maintained by government policies. Hopefully, you also recognize the power you have to make the necessary changes.

So we have a fairly long paper here. I've left two copies, and I'll leave this copy as well. Our fundamental work within the Coalition for Social Justice has been on raising the rates, minimum wage, Ontario Works, Ontario disability. We're down about 41% in terms of what the income is for those on social assistance, those on minimum wage. Those making \$10 an hour working 40 hours a week times 52 weeks a year barely make it to the poverty level; they regularly lose homes in Peterborough, and we have to scramble as a community, which is far more costly, to house them in emergency situations. So those were our three top demands: ending the clawback, which was part of this government's promise when they took office, and adequate and safe housing. Those are issues I'm sure you've heard from other people. We go into this in quite a bit of detail, largely thanks to Steve Watson, who did some good research with the CAW. But I think those are issues that really we have to look at clearly.

I do want to say that the United Nations has taken us to task for our failure to meet their basic charter of human rights. I just would say to you, we work with hope in Peterborough. We work, as Joanne said, with a whole-costs sectoral approach. We're very good at that. But we just spend so much time on the emergency issues that we're not getting to fundamentally resolve one of the base indicators, and that's income security—and that's back to you.

We thank you for this opportunity, and if there are any questions, especially on proportional representation—

The Chair: Thank you for the submission. The questioning goes to the official opposition.

Mr. O'Toole: Thank you very much, Ms. Slavin and Ms. Bazak. I appreciate your presentation. I would agree with the premise that the poverty trap is unacceptable. The statistics you gave on the status of children—you said one in five and the other said one in six.

Ms. Slavin: One in six in Ontario; one in five in Peterborough.

Mr. O'Toole: One in five in Peterborough is even worse, which is unacceptable. I would agree that there were many commitments made during the last election to address these issues around income security, one of your top priorities. The Ontario disability support program was one of those commitments. As well, the current and emerging issue is the \$10-an-hour minimum wage issue. In fact, I would probably be sympathetic to that myself. It would address, probably, the income security issue at least modestly. But you did mention in your presentation that you know the causes. I would probably say your three priorities—income, food and housing—are all tied together, I suppose, as exposing people to a vulnerable life. But you also said you know the solutions. Could you perhaps, without any provocation, tell the committee in very specific terms what those solutions might be so that we can find them in the next election material to address those causes and the consequent solutions?

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Ms. Bazak: The solutions are based on solid empirical research. This is what they are, simply: income security. People need a basic minimum income in order to pay for the necessities of life. Ontario disability support needs to be at a level that covers the basic costs. If you do the math, and I have—and I work with people in the community—it is woefully inadequate, so the rates have to go up. Ontario Works is dismal. Once again, a basic rate is an absolute necessity. The clawback of the national child benefit supplement is inexcusable.

Mr. O'Toole: That was a promise, by the way.

Ms. Bazak: I know it was a promise, and I know it would make a huge difference.

Safe, affordable housing: I'm constantly struggling with people who are very ill to find an apartment that they can afford. People are out on the streets. It is so basic. We say, as a province, that we can't afford it, but we can't afford not to, because this is eroding the very foundation of what we value and believe as a province.

I'd take a quote from Dalton McGuinty's last budget: "Ontarians have to have opportunities to succeed. That's why we're building opportunity by strengthening the education and skills, health and prosperity of our people. For Ontario to be at its best, we need every Ontarian to be at their best."

When we leave 20% of kids behind in Peterborough and one in seven behind in Ontario, we are not fulfilling that basic premise.

The Chair: Mr. Hudak.

Mr. Hudak: How much time do we have?

The Chair: About a minute and a half.

Mr. Hudak: I want to get a chance to talk a bit about your view on proportional representation and democratic reform. You're obviously very concerned about some very important issues here in the area; you presented them very well. You have the opportunity to pressure your local member, Mr. Parsons—or Mr. Leal, as well—to fulfill promises that were made in the campaign, but in proportional representation you don't have local members to put pressure on. They're all picked off party lists. So how do you feel that PR would do a better job?

Ms. Slavin: There are many forms of PR, and we're trusting that the assembly that's being entrusted with looking at that issue will find one that suits Ontario. The feeling is that people are largely elected by a minority percentage of the population, and then things are enacted, such as Mr. Harris's 21.6% cut to low-income families—and that was not a majority view in Ontario by any means. So proportional representation would mean compromising and finding ways to develop policy among all parties, as opposed to one party with a minority of opinion imposing something that has been so, so devastating for our community.

If I can just speak, for instance, on the root causes issue: We have a local group of about 40 or 45 people who meet once a month on emergency food. There's nowhere in town, through social services, where food is provided for people who are hungry, apart from food banks. Four older women, all in their 70s, started providing lunches this summer, and they just begged community organizations to help support that. They started out with about 15 people, and within two weeks 120 or 150 people came almost every day for emergency food, and part of that was just to overcome the social isolation those people have, locked in a room with no other place to be. So it became a place where many of us went, brought food and then shared lunch with them, just because that isolation was also so damaging. We're very good at this, but it's all a charity model and it's not changing anything. The same 150 people are still coming out who came out at the beginning of the summer.

We've got more churches involved now. We're very good at mobilizing people to meet basic needs, but in the end, it's income, and we have to change that. We think that with proportional representation those kinds of decisions just wouldn't be made in the same way.

The Chair: Thank you for your presentation.

Ms. Slavin: And we do appreciate your shuffling the agenda for us. Thank you.

LENNOX AND ADDINGTON RESOURCES FOR CHILDREN

The Chair: Now I call on Lennox and Addington Resources for Children to 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.

Ms. Pam Kent: Sure. Thank you. Good morning. My name is Pam Kent, and unlike some of the previous presenters, this is my first time doing this kind of thing, so I'm a little nervous. But today I am wearing many hats. I am an executive director of a local, rural, not-for-profit child care agency. I'm also a co-coordinator of our local child care action network and a council member of the Ontario Coalition for Better Child Care.

The common theme in all of these roles is advocacy. In all of my work, I advocate for a not-for-profit, publicly funded, universally accessible, inclusive and high-quality

early learning and child care system. For many years, families and communities in Ontario and across Canada have been calling on governments at all three levels—municipal, provincial and federal—to implement a publicly funded system of high-quality early learning and child care. There is lots of documented research that shows that investing in early learning and child care is good for children, their families and society.

I know this government understands the value and importance of a quality early learning and child care system, as demonstrated in their Best Start plan. After decades of funding cuts with the Harris-Eves government, child care advocates were optimistic when this government launched Best Start and promised \$300 million in new funding annually towards stabilizing the current system. The initial optimism of Best Start has turned into uncertainty and concern as community-based child care centres are struggling to maintain and improve quality services. This is because of the increasing pressures and instability created by inadequate funding under Best Start.

In some cases, as in my community, no new spaces were created due to the timelines imposed on municipalities. We are left to try to look at how we increase spaces with a final federal instalment that was spread over four years. This, however, is challenging as we struggle to determine how to maintain those spaces beyond the four years with the absence of ongoing funding.

Also, in our rural area, we do not have ongoing funds for transportation. We have a hard time getting kids to our centres. Many of our kids come because they are isolated and they need to be with other children for socialization and early learning, even though their parents may not be working. Here they can access speech therapy and get extra assistance with their special needs through the resource teachers and enhanced support. Every year we struggle to raise money for transporting children and families through proposals and fundraising. Ongoing funding for transportation to help parents access early learning and child care is crucial in rural areas.

This week's announcement about the move to income testing for subsidy is being received with mixed feelings. Although the less intrusive model for parents is positive, there are concerns that while the income testing approach could increase the total number of families who qualify, it will also exclude others who were previously eligible. With the absence of adequate funding to address the real needs of Ontario families and children, this new policy will only create longer wait lists for spaces that do not exist.

In this year's budget, I urge the provincial government to directly fund early learning and child care programs and eliminate the subsidy system altogether. The continued existence of the subsidy system is a critical barrier to creating an equitable, sustainable and quality system. Simply put, a demand-side subsidy system such as the one that exists in Ontario is a poor way to fund early learning and child care services. It is inherently stigmat-

izing, inefficient, unstable and incompatible with universality. In order to provide a universally accessible, inclusive, high-quality child care system, adequate and stable funding is required.

Just like public education, early learning and child care should be an entitlement for all children. It should not be targeted to specific groups or exclude others. Kindergarten is directly funded. It is a universal public service provided at no cost and paid for through taxes. Most four- and five-year-olds are enrolled in kindergarten although it is not compulsory.

One of the most important elements for the provision of a high-quality early learning and child care program is the child care staff. Children benefit most when staff are well-trained and equipped with teaching resources. This directly impacts children's health and development, as well as their school readiness skills, early literacy skills and cultural and social awareness. Best Start has provided little in the way of annual cost-of-living increases, funding for the full cost of the wage enhancement grant, and provincial pay equity adjustments.

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The average wages in the sector are \$12 per hour. These wages are made up of a variety of complex funding envelopes, including wage enhancement grants, pay equity, parent fees and fee subsidy. In my agency, we are currently in a labour dispute, with the potential of a strike looming. Staff are demanding an increase in salary—a much-deserved wage increase at that. However, without resorting to program closures and layoffs, we cannot fund a staff increase unless and until the government commits to providing ongoing and increased funding.

The current system has wage increases being funded on the backs of fee-paying parents, and it should be provincial funding. As utility bills rise, rent, insurance, etc., we struggle to keep the per diem for parents affordable and balance the needs of our staff. Retention of qualified ECE staff is very difficult.

Early learning and child care is a provincial responsibility. The termination of the child care agreements by the federal government was a serious blow to building a national child care system. Despite this challenge, the provincial government can still move forward with its child care vision and leadership. Other provinces have continued to expand their early learning and child care systems without the federal funds. Ontario can and should do the same.

Nowhere in last year's provincial budget was there mention of the \$300 million pledged in September 2003. The budget did not provide the increased funding needed to integrate children with special needs or to provide the capital infrastructure needed. The government, by fulfilling its promise to dedicate \$300 million annually, can keep the vision alive for Ontario families and children and begin to overcome these challenges. Therefore, we are calling on the government of Ontario to honour its commitments to families by:

—providing an initial investment of \$600 million to allow Best Start to move forward, not backward;

—directly funding early learning and child care programs and eliminating the subsidy system;

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

—continuing increased investments in early learning and child care for all children between zero and 12, and especially for children with special needs; and

—expanding early learning and child care systems in the not-for-profit sector only.

Last but not least, we need to work together, under your leadership, to demand that the federal government honour the agreements that were signed with the province. I have faith in this government, as you have shown determined leadership and vision in not only your Best Start plan but also your progress on elementary and secondary education and a platform for improving post-secondary education.

We hope that the Premier will extend this leadership on funding early learning and child care as integral to publicly funded education. Our youngest citizens deserve the best start possible.

The Chair: Thank you for the submission. The questioning goes to Mr. Prue of the NDP.

Mr. Prue: In the last couple of lines you state that you have faith in this government. Will you have faith in this government if they don't do what you ask? This is the last year of their plan. They've not delivered anything for child care. I'm puzzled: How can you have faith?

Ms. Kent: I have faith that they're going to make the right decision and that we will see the money that they promised in this next budget.

Mr. Prue: Okay. You've stated, and you're right, that other provinces have continued to expand their early learning and child care systems without the federal funds. Most of the ones out west have just said, "We're going it alone. If Ottawa has made the bonehead decision that they made, we're going to do it." This government fell down right away.

Ms. Kent: That's true. Partly, I understand a little bit that they were maybe feeling that without the matching funds they wouldn't be able to fulfill their full vision. But I think, even without those funds, we can still move forward and still create a better system than exists today.

Mr. Prue: I understand that too, but they haven't put in a single dollar of their own money.

Ms. Kent: Correct; they haven't.

Mr. Prue: I'm just trying to get to the faith. I guess faith is blind. It's okay.

Some other stuff: You've made a pretty compelling and a good case for child care to be funded the same way that kindergarten is. Do you see—I think many educators see—that child care as simply an extension of school? I am quite puzzled myself as to why we start at age five or even four; why not three or two? Learning is pretty easy at that age.

Ms. Kent: Absolutely. It begins at birth. Everything that we do in the child care sector is preparing them for

lifelong skills, and I'm not sure why it's not an extension of the education system either.

Mr. Prue: I'd just like to close and ask a couple of questions around pay. Child care workers are notoriously poorly paid. I don't blame those ones who have a union who want to strike for more than \$12 an hour. That is right around the poverty line. A child care worker goes to school for how long to get the credentials?

Ms. Kent: Two years.

Mr. Prue: That's two years post-secondary in order to get the qualifications to get a job that pays poverty wages.

Ms. Kent: Right.

Mr. Prue: How much do you think child care workers should be making? First of all, how much is the union asking that the wages go up, from \$12, in Napanee?

Ms. Kent: Currently they're asking for a 3% increase just for one year. If you look at the pay equity proxy plans that were done, they show that child care workers, if they were compared to a male comparator doing a fairly equal job, should be earning around \$25 an hour for the work that they do.

Mr. Prue: But they're prepared to go on strike for 3% and you just don't have the 3% to give them?

Ms. Kent: Correct—without increasing parent fees, which then of course puts us potentially out of the market for parents not being able to afford child care, and then they go elsewhere. So we're in a real dilemma.

Mr. Prue: They're looking for 36 cents an hour, and you don't have the 36 cents to give them because this government hasn't given—

Ms. Kent: Correct.

Mr. Prue: But you still have faith?

Ms. Kent: I have faith you're going to do the right thing.

Mr. Prue: I think, Mr. Chair, those would be my questions.

The Chair: Thank you for the presentation.

I'd ask the Community Development Council of Quinte to come forward, please. They're not here.

QUINTE SYMPHONY

The Chair: If the Quinte Symphony is in the room, would you come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. JoAnne Watkinson: Good morning. I'm JoAnne Watkinson, president of Quinte Symphony. I would also like to introduce Marilyn Lawrie, our general manager. Together we want to give you an insight into Quinte Symphony and our programs, present why the arts are vital to a vibrant and rich society, and give our support to the Ontario Arts Council's request for additional funding from the province.

Quinte Symphony was established in 1960 as the Eastern Ontario Concert Orchestra and our name was

changed to Quinte Symphony in 2000. Quinte Symphony is a provincially incorporated not-for-profit since 1997 and is also a registered charity.

We are a community orchestra. Our harmonious blend of paid professional and volunteer players perform a four-concert masterworks series and one pops concert to an annual audience of 3,000 people. We play here in Belleville at Bridge Street Church and we're the only community orchestra between Cobourg, Peterborough and Kingston. A volunteer board governs the organization. They also act as unpaid staff, along with community volunteers, who are directed by our paid half-time general manager.

In addition to our concerts, we have a strong community outreach program to help support other community partners and their endeavours. We allocate \$2,500 out of our annual budget to pay for our musicians to perform in small ensembles at select community events and not-for-profit fundraisers. We estimate that we reach an additional 1,500 people through these performances. Many of our musicians also teach privately and play in other ensembles as well.

Quinte Symphony has a strong mandate to support the Ontario curriculum, and over the past eight years we have reached over 13,000 youth in the Quinte area. Our school education programs include elementary school string programs, secondary school band and woodwind clinics, and master classes for advanced music students. Next week we are bringing the Tafelmusik Baroque Orchestra back to Belleville for the second year in a row to perform another sold-out school concert for an audience of 900.

We also support local young musicians through our awards programs.

At this point, I would like to turn the floor over to our general manager, Marilyn Lawrie.

1020

Ms. Marilyn Lawrie: Thank you, JoAnne. Quinte Symphony has an annual operating budget of \$110,000. As a note to our budget, I would like to say that we create part-time work for between 15 and 25 people yearly, those being our conductor, string section heads, guest artists, website coordinator and general manager.

Over the years, we have built up an endowment fund of over \$35,000. In addition, we have approximately \$6,000 invested in the Ontario Arts Foundation endowment fund. Our sources of funding break down as follows: 52% is earned revenue through ticket sales, program ads and investment interest; 43% is from the private sector, that being memberships, donations, corporate sponsorships, foundations and fundraising. This is very tough for us, because like so many arts organizations in this province, we compete for a finite amount of corporate and private dollars in our community. We don't receive any federal or municipal dollars, nor do we receive funding from our local arts council. Only 5% of government funding to our budget comes from the province through the Ontario Arts Council.

The Ontario Arts Council, or the OAC, is an agency of the Ministry of Culture and provides funding support to

artists and arts organizations throughout the province and ensures that audiences in all parts of the province have access to the arts. They're an umbrella organization representing all facets of the arts. Through a jurying process, the OAC offers more than 50 funding programs for Ontario-based artists and arts organizations in over 250 communities, with funds provided by the Ontario government.

Last spring, the OAC presented a strong business case to the Ontario government to support a request for an increase of \$35 million to their base budget over the next three years. This would take their annual budget from \$40 million up to \$75 million. Some 60% of this increase would be directed towards increasing operating grants for arts organizations such as Quinte Symphony. I have attached a summary of the OAC's business case to your packages. It's listed as appendix A.

To give you a bit of background to arts and culture in this province, up to the mid-1990s, Ontario was a leader in arts funding through the Ontario Arts Council. Today, Ontario stands seventh in provincial arts funding among the 10 Canadian provinces. You can refer to appendix B for some additional statistics. It should be your final page.

The OAC, as I said, currently operates on an annual budget of \$40 million down from a high of \$43 million in 1995. At the same time, the population of artists in this province has increased by 33%.

The OAC and Quinte Symphony: For the past 15 years, Quinte Symphony has received funding from the OAC. The grand total of \$5,000 was our initial grant. It was cut back to \$2,000 in the late 1990s and has been increased back to \$5,000 annually for each of our past two concert seasons. This project grant money has been instrumental in supporting our masterwork series and one pops concert and has allowed us to cover a portion—but, I would like to underline, only a portion—of the costs of guest artists, music rental and instrument rental.

So what would Quinte Symphony do with increased funding from the OAC? We could provide added jobs by hiring more professional artists, more education opportunities by expanding our programs for schoolchildren and more support to our community by increasing public outreach programs. Also, given that the OAC acknowledges that a strong administrative infrastructure is essential to supporting successful artistic activities, increased funding would allow Quinte Symphony to expand our marketing function, to reach and build a greater audience, devote more time to strategic planning and long-term goal setting and focus on building new partnerships within our community.

What is the impact of the arts? We at Quinte Symphony, like so many of my arts colleagues, look upon funding received from the OAC as an investment in Ontario's economy, in that artistic input into any area brings ongoing improvements to the livelihood of our communities.

For example, the arts support a key government priority: success for students. Research has shown that

early childhood exposure to the arts enhances literacy, numeracy and social, workplace and creative problem-solving skills.

Others studies that have been done demonstrate that the arts enrich our towns and cities with unique programs and activities that serve to attract businesses and professionals. In fact, last fall I received a call, right out of the blue, from the physician recruiter at Quinte Health Care hospital here in Belleville. She wanted about 30 Quinte Symphony brochures to put in her physician recruitment packages. She saw the value of a symphony orchestra in this small city in helping her to attract much-needed doctors to this area.

The arts also provide the forum for added spending, such as in accommodation and restaurant sectors, and the arts drive revitalization in downtown cores. The arts are also the hinge pin that attracts tourism dollars.

To put it all in financial terms, every dollar that the OAC has invested in the arts has shown a \$20 spinoff to Ontario's economy.

I know that there will be many of the province's stakeholders in this room today, all of them presenting, presumably, very compelling cases. I would like to think that from your standpoint and the government's standpoint it's not a case of giving to one sector at the expense of the other. I believe that Ontario can have it all in terms of a reliable infrastructure, a dependable and affordable health care system, a leading-edge education system and a vibrant and economically viable arts and culture scene.

In conclusion, I would again ask that you support the Ontario Arts Council's request for increased funding. Capitalize on the power of the arts today and use it to Ontario's advantage tomorrow.

I would also like to thank you, on behalf of JoAnne and the board of Quinte Symphony as well as our musicians and volunteers, for the opportunity to come and speak about the arts today.

I understand there may be some time for questions.

The Chair: Yes, indeed, there is. The questioning goes to the government.

Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge): JoAnne and Marilyn, thank you both for being here this morning. We've had a few presentations from the arts community during our tour, but this is among the best from the standpoint of presenting a business case. I look at what I've seen here from Quinte Symphony. You have a \$110,000 annual operating budget and you've created a \$35,000 endowment fund and a \$6,000 provincial endowment fund. You really do have a head around the business side of what you do in the arts community, so congratulations on doing that.

Ms. Lawrie: Thank you very much. There's a saying, "They call it show business, not show art."

Mr. Arthurs: I love that; it's great. I'll tuck that away for our arts community, the Durham West Arts Centre in the Pickering-Ajax area, as they build their organization.

Based on the submission you made on behalf of the arts council, some \$35 million over three fiscal years, against a current base of \$41 million, roughly—

Ms. Lawrie: Of \$40 million and change.

Mr. Arthurs: Presumably, if they simply increased the funding to each of the organizations that are currently receiving funding—you're currently receiving some \$5,000 of that?

Ms. Lawrie: We get \$5,000.

Mr. Arthurs: If it was a straight-up dollar number, over the three years, you're looking at maybe another \$5,000?

Ms. Lawrie: Actually, you're pretty much correct. My understanding is the OAC would look to fund arts organizations to an average of around 10% of their revenues. So we now stand at just less than \$5,000, so 10% would be about \$10,000 or \$11,000—double what we're getting now.

Mr. Arthurs: It's not a lot of money.

Ms. Lawrie: No, it's not.

Mr. Arthurs: If you had to, where would you target that additional funding? What would be your priorities for the Quinte Symphony if you had the additional \$5,000 in your pocket today?

Ms. Lawrie: JoAnne, do you want to answer that?

Ms. Watkinson: I think as an organization, it would enable us to hire more musicians and guest artists. Music rentals are very expensive. Maybe Marilyn can address this as well. It's a matter of trying to operate the symphony with what we have, and sometimes that just isn't enough.

Ms. Lawrie: I think job creation would be a key element. As JoAnne said, hire more professional artists. Not just soloists, either musicians or vocal soloists, but also being able to hire more musicians, more guest conductors.

One of my desires would be to see our education programs expand. I believe we mentioned that the Tafelmusik Baroque Orchestra is coming back to the community. It's already sold out—900 schoolchildren. I would love to see another performance, either by them or by another orchestra. I think in general—and I'm sure most of you would agree; I hope most of you would agree—we need a really solid administrative structure to support all of this.

1030

Mr. Arthurs: Mr. Chairman, Ms. Marsales has a question she'd like to pose as well.

Ms. Marsales: I have just two quick comments in support of your presentation. You're familiar with the work being done right now at McMaster University with Dr. Allison Sekuler called mind and music, which identifies the benefits accrued through exposure to music; you might want to look that up. The second point—

Ms. Lawrie: Thank you. No, I'm not familiar with that.

Ms. Marsales: There's a book written by Harvard University entitled Standing Room Only. It presents a business case around the arts. It's quite fascinating and innovative. I just present that as some information.

Ms. Watkinson: Yes, actually we are familiar with that piece of work.

Ms. Marsales: I'm a music aficionado.

Ms. Watkinson: Excellent. You should be coming to our concerts.

The Chair: Thank you for the presentation this morning.

Ms. Lawrie: Thank you for your time.

Ms. Watkinson: Thank you very much.

THEATRE ONTARIO

The Chair: I call on Theatre Ontario to come forward, please. Good morning. There are 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. John Goddard: My name is John Goddard, and I'm the executive director of Theatre Ontario. This is Pat Gray, who is the president of the Eastern Ontario Drama League, one of our member groups. We've asked Pat to make a presentation on behalf of Theatre Ontario to the committee.

Ms. Pat Gray: Good morning, and thank you very much for allowing me the opportunity to speak. My name is Pat Gray, and I am the current president of the Eastern Ontario Drama League.

The Eastern Ontario Drama League is an affiliation of approximately 30 community theatre groups in eastern Ontario. We're governed by an elected board of directors and registered as a charitable organization in Ontario. EODL is also a participating member of Theatre Ontario, thereby establishing an important information link between them and the member groups.

The Eastern Ontario Drama League came into being as a direct result of an intense interest in theatre by Canada's Governor General Lord Bessborough and his desire to initiate a Dominion-wide amateur theatre group festival. Sixty people from across Canada were invited to a meeting in Ottawa, at which time his proposal was enthusiastically endorsed and plans were made for a series of regional festivals. Rupert Davies of the Kingston arts and music group was one of those present, and on his return to Kingston he was instrumental in organizing what turned out to be the first regional festival in Canada.

Convocation Hall at Queen's University was chosen as the site for the inaugural Eastern Ontario Drama League Festival. On the night of February 23, 1933, the curtain rose on 13 one-act plays and scenes. The festival continued to be held in Convocation Hall until 1939 and again after the war until 1948. It was then decided that the festival should travel from city to city in the region, which it has done ever since.

At first, the entries were limited to one-act plays until 1938, when full-length plays were introduced and festivals included some of each category. By 1961, full-length plays had become the rule, and the region introduced its separate one-act festival.

EODL's income comes from donations, memberships and festivals. We meet four times a year; two of these meetings are held during the full-length and one-act

festivals. Festivals are intended as a learning experience for participants and audience alike. A professional adjudicator is hired by EODL using Theatre Ontario's talent bank, and each play receives a public adjudication and then a more detailed adjudication for those who wish to attend.

All member groups are eligible to enter the festivals. The full-length festival consists of four plays, selected from the entrants by an adjudication process.

Once a year, funds permitting, a draw is held by member groups for a half scholarship to a Theatre Ontario summer course of their choice. The Therese May Scholarship is awarded annually to a young member of one of our groups who intends to pursue a theatre-arts-related program. The recipient is chosen from submitted applications.

The Theatre Ontario Festival is hosted annually by each of the leagues in rotation: the Western Ontario Drama League, the ACT-CO in the Toronto area, the QUONTA northern area and EODL, which is our eastern area. The entrants are the winners of their respective regional full-length festivals.

As well as being the president of EODL, I am also a very active member of our local community theatre, the Belleville Theatre Guild, which was formed in 1951. We are the longest-standing members of the Eastern Ontario Drama League and proud members of Theatre Ontario and the Quinte Arts Council. Belleville Theatre Guild receives no outside funding from any sources. We truly believe that since our beginning in 1951 we have had a lasting impact on the lives and values of many individuals and their families as well as our community. For each production, many young and old volunteers put in many hours for the joy of being creative, being a part of the community, feeling a sense of belonging and their love of the arts.

Community theatres over the last few years have been struggling, competing with the isolating, destructive effects of today's electronic entertainment and other numerous variables. Due to the decrease in audience sizes over the past few years, and consequently our income, we are lucky if we break even, and we find it increasingly difficult to find funds for education. A few years ago, we were very fortunate to be able to access grant money from Theatre Ontario to assist with professional workshop expenses on either administrative, technical, acting or directing skills. Since their reduction in funding, this has not been possible. It would be wonderful if increased funding could make things like this possible, which certainly improves the life of our area and our community.

We strongly support the Ontario Arts Council's request for an increase to their base funding of \$35 million over the next three years. We certainly are delighted with the amount of grant money that the OAC has spent in grants to the eastern region—for example, the \$209,000 to the Thousand Islands Playhouse in Gananoque and \$27,000 to the operations of the Quinte Ballet School of Canada in Belleville, and of course many others. How-

ever, more help is needed, for sure. The 4,400 artists who live in the city of Ottawa represent 1% of the local labour force. The average earnings for these artists, which is \$29,700, are 26% lower than other local workers.

The theatre venue for the Belleville Theatre Guild is an 80-year-old former Salvation Army building, now owned by the municipality, which leases it to us. In the last 25 years, we have done major renovations, the last being in 2005 when we added an elevator. The approximately \$200,000 cost for this was raised by fundraising and from a \$75,000 Trillium grant. Therefore, we understand the concern of ArtsBuild Ontario when they talk about the dire state of other arts facilities across the province and the cost of repairing such buildings. We therefore support the creation of an arts facility infrastructure program for non-profit arts organizations.

I would like to emphasize how important the arts are in a community. I have worked with Quinte Health Care for many years, and when they're looking to recruit all kinds of people, as the former speaker said, they do look to see what else there is in the community. Certainly being part of the community theatre makes us hope that this all adds to the life of the community and the arts.

In closing, I emphasize that the government must invest more funds in the arts so that all Ontarians may have the same advantage as those in other provinces, who seem to have more, and will be able to have access to and involvement in arts programs of their choice.

I will end with a quote from Lynda Hill, who is the artistic director of Theatre Direct Canada in Toronto: "We are keenly aware of how a young person's cultural, social and economic rights are inextricably linked. As we work to nourish our young audiences with rich, complex theatre full of challenging ideas, opening windows onto a world they have not yet experienced, and boldly demanding critical thinking, we are contributing to the positive development of future citizens for whom arts are as valuable as health care and education."

Thank you for your time.

1040

The Chair: Thank you for the presentation. This round of questioning goes to the official opposition.

Mr. Hudak: Thank you very much, John, Ms. Gray for the presentation. As well, it's nice to have the local flavour. Congratulations on your success.

You talked about the importance of an arts infrastructure fund. Previously, there was the SuperBuild sports, culture and tourism partnership, which was \$300 million of provincial funding, usually matched by a municipality and/or a group. It has been succeeded by COMRIF, which hasn't done as much in the arts area; it has done more on the municipal infrastructure side.

What's your view on those types of programs that were using provincial funds matched by municipal priorities?

Mr. Goddard: If I could perhaps speak to that, because I've been involved in the ArtsBuild initiative. We're anxious to see something that is confirmed, sustainable and ongoing of the same nature. Those programs

addressed a need but didn't resolve it. The problem with many of the arts facilities in Ontario used by both professional and amateur is that they are in a very poor state of repair and there is very little assistance to those organizations to deal with them. Organizations such as the Ontario Arts Council provide operating funds. There are other methods by which project money is available, very often with a requirement, quite rightly, that there be participation by the local municipality and so on. There is very little funding available for the bricks and mortar. There is very little support for fixing the boiler or making the facility wheelchair accessible, upgrading the facility and meeting current health and safety standards.

If you look around Ontario, in many of our smaller communities, many of the cultural and heritage buildings of Ontario have been given to arts groups, whether it's the local art gallery or the theatre guild. How many Ontario communities have an old opera house that has been given to the local theatre guild? But there's very little assistance for them to maintain it, to upgrade it. We're working with the province in trying to come up with a way that is sustainable funds, a system of both grants and loans to not-for-profit organizations—repayable loans—to help them repair, upgrade and expand the existing facilities.

Mr. Hudak: The Ontario Cultural Attractions Fund was a repayable loan, I think a forgivable-interest loan as well. Those are usually around marketing initiatives as opposed to infrastructure—but something of that type of design?

Mr. Goddard: Along that same kind of line, yes.

Mr. Hudak: The other issue I wanted to ask about was, the recent City of Toronto Act has given the municipality the ability to increase taxes on tickets and other forms of entertainment. I think it's under contemplation to expand that to other municipalities like Belleville. Do you have a point of view about a new tax on cultural attractions?

Mr. Goddard: Many institutions already do something like that privately. Many of our professional theatres will include \$1 in their ticket price which is going towards the facility or the renewal. I think it's quite an acceptable method of financing, because the one who's using the facility is the one who's helping to pay for it. My concern is that it not be applied necessarily universally, because we also have issues of accessibility.

Before I came to Theatre Ontario, I was the director of administration for the Lorraine Kimsa Theatre for Young People, which brings hundreds of school children to the theatre every year and exposes them to the art form of theatre. Without us, many of these children would never see theatre. We charge only \$15 to see professional equity performers. It's already very difficult for the schools to find that money. If they had to add another dollar, say, it would be restrictive. I think concern has to be placed on whether this is just a blanket solution. It is one of the ways of raising funds to address this issue.

The Chair: Thank you for your presentation this morning.

Mr. Goddard: Thank you very much.

The Chair: For the committee, I'm advised that checkout is at noon. We have no other presenters currently in the room, so we'll recess until one of those persons arrives. In the meantime, I would suggest that maybe you check out now. They will store your baggage downstairs safely for you. We'll resume as soon as someone comes. So we'll recess.

The committee recessed from 1046 to 1059.

CANADIAN NATIONAL INSTITUTE FOR THE BLIND

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

It's my understanding that the Canadian National Institute for the Blind is in the room. If you would come forward, we'll hear your presentation. You have 10 minutes to make your presentation this morning. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Robert Hickey: My name is Robert J. Hickey. I am the regional manager for CNIB. I'm here on behalf of Dennis Tottenham, executive director, Ontario division, for CNIB. I'd like to thank you very much for giving us the opportunity to have input into the upcoming budget.

First of all, I'd like to highlight CNIB. We're a nationwide, community-based charitable organization dedicated to promoting vision health and enhancing independence for people with vision loss. CNIB has been serving Canadians since 1918; we're in our 89th year of service. We are committed to public education, research and vision health for all Canadians. CNIB provides rehabilitation training, innovative consumer products and support programs for children, working-age adults and seniors. The CNIB library provides for the literary and information—

The Chair: Could you please just move back from the mike a little bit? We're getting some static.

Mr. Hickey: Okay.

The CNIB library provides for the literary and information needs of print-disabled Canadians through access to thousands of titles in Braille, PrintBraille, talking books, descriptive videos, newspapers and magazines, as well as access to telephone, reference and online services.

According to Stats Canada, more than 600,000 Canadians live with a vision problem that cannot be corrected using ordinary lenses. As the population ages, this number will increase dramatically over the next 10 years. CNIB helps people of all ages living with vision loss maintain an active, healthy and fulfilling life.

CNIB offers four recommendations to the standing committee in preparation for the 2007-08 Ontario budget.

The first recommendation is that the Ontario government and the Ministry of Health and Long-Term Care sustain growth of community health and rehabilitative health by providing annual funding increases in line with the growth of the economy.

The second is that the government of Ontario and the Ministry of Community and Social Services annualize payments for intervention services which are currently delivered as one-time project funding.

The third recommendation is that the government of Ontario and the Ministry of Finance invest in the modernization of the library services for persons with vision loss.

The fourth, and last, recommendation is that the government of Ontario and the Ministry of Children and Youth Services target funding for vulnerable populations of underserved preschool children for early learning and intervention programs.

As we drill down into these four core recommendations, the first one is investments in community health. A recent Ontario Hospital Association report entitled *Optimizing the Role of Complex Continuing Care and Rehabilitation in the Transformation of the Health Care Delivery System*—it was the OHA, in May 2006—identifies rehabilitation in the community as a critical supportive measure for other parts of the health care continuum. Community-based rehabilitation services allow Ontarians to receive care appropriate to their needs, outside of the cost-intensive and overburdened acute care system.

For seniors and persons with disabilities, availability of rehabilitation services plays a vital role “in improving functional outcomes, as well as reducing mortality and morbidity.” The OHA report, on page 4, highlights that statistic. Access to community services results in improved health determinants. Examples are avoidance of falls, lower incidence of traumatic injury and depression, which in turn reduces the need for hospitalization and long-term care. In addition, specialized community care helps consumers transition back to recovery and basically reduces wait times in our hospitals.

CNIB commends the government of Ontario for its investment in community health during recent years, investment that has helped revitalize a traditionally undervalued and overlooked sector of the health care continuum. Investments in agencies like CNIB have assisted our sector to build capacity and plan for the increasingly complex challenges that our health system will face over the coming years. While this investment is welcome, the funding received from the government still lags far behind the actual cost of community services.

To capitalize on the province's investment over the past four years and ensure the sustainability of the community health care system, CNIB calls upon the Ministry of Health and Long-Term Care to provide strategic direction to newly established local health integration networks. Sustained, predictable investment in agencies helps the community health system to become less reliant on volatile charitable funding sources to meet the needs of at-risk consumer populations.

The recommendation: CNIB proposes that the government of Ontario commit to the sustained growth of the community health sector by providing annualized funding enhancements to transfer agencies' base funding

which keeps pace with the growth in the Ontario economy. Such a policy would be consistent with the demonstrated current direction and priorities of the Ministry of Health and Long-Term Care. This funding would recognize the importance of the contributions of the community health sector and ensure appropriate utilization of community resources to offset costly acute and long-term-care costs.

The second drill down is sustainable funding for intervener services. CNIB takes this opportunity to thank and commend the government of Ontario and the Ministry of Community and Social Services for its commitment to modernizing the provision of interpreter and intervener services in the province. Over the past few years, CNIB has been successful in applying for one-time grants through MCSS to support the provision of intervener services to deaf-blind consumers. Our organization is grateful for this funding, which has allowed CNIB to service significantly more Ontarians living with dual vision and hearing loss.

CNIB calls upon the standing committee to safeguard the government of Ontario's historic investment in the fair and equitable treatment of deaf-blind citizens. Currently, government has allocated enhanced funding to service agencies via one-time, project-focused grant opportunities. Though CNIB is grateful for this critical funding, this process is cumbersome for agencies to administer, causes delays for consumers to receive services, and creates unnecessary uncertainty in planning and budgeting for the provision of these services. Our agency believes that funding should be administered in a different manner to have optimal impact on the lives of consumers.

The Canadian Council on Social Development, in its reports *Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations in 2003* and *Funding Matters Phase II: Final Report, June 2005*, raised concerns over the practice of Canadian governments favouring project-based funding programs instead of core funding that supports agencies' basic missions. This trend has destabilized fiscal planning within the agencies that governments rely on to deliver services. During 2006, the federal government initiated extensive consultations, through the independent blue ribbon panel on grant and contribution programs, on how "transfer payments should be revised so as to make the delivery of grant and contribution programs more efficient and less burdensome for recipients." The government of Ontario must provide leadership in this initiative by taking proactive measures in the provision of sustainable and predictable base funding for transfer agencies that provide critical services.

I guess an example of this is, if we have an office where we've got this funding in place, we have to look at having leased office space to provide this program. Since it's on a year-to-year basis—it always does seem to get renewed; it's just hard to negotiate long-term leases. And if there are long-term leases, there's that consistency, that we may have to pay a penalty to get out of the lease.

The recommendation: CNIB asks the Ministry of Community and Social Services to provide annualized operational funding to transfer payment agencies for the provision of interpreter and intervener services as sustainable base funding. This measure would ensure that the government of Ontario's investment reaches consumers in a timely, effective and equitable manner.

The third area that we are looking at having an impact on is our CNIB library. Currently, less than 5% of information published in print is available in an accessible format such as Braille, e-text, or audio. CNIB is proud of its 100-year history of bridging this information gap and providing literacy and information resources to people who cannot read print due to a disability.

The CNIB library is Canada's largest producer of alternative format materials and delivers over 1.8 million items of accessible format text to tens of thousands of Canadians each year, at no cost to the user. The CNIB library recently converted to a digital platform in order to better meet the current and future needs of our consumers and to keep pace with the changes in modern technology. A full transition to digital technology holds many advantages for print-disabled Canadians: a higher quality, a fully navigable talking book experience, access to additional magazines and resources online or by phone, and improved resource-sharing opportunities with other specialized libraries around the world. Digital production has also made it possible to better preserve the library's collection and produce books in a more timely manner.

There are many reasons for the government of Ontario to invest in the CNIB library. Through the library, CNIB supports the literacy needs of Ontarians from all walks of life, from preschool children who need tactile storybooks to learn basic Braille literacy skills to students and working-age adults who require print material for their educational or training needs, and adults and seniors who have recently experienced vision loss but want to continue with recreational reading.

The CNIB supports the province's objective to promote Ontario as a world leader in accessibility. Our library is an example of an innovative, made-in-Ontario solution to promoting the full inclusion of all citizens in every aspect of Canadian life. CNIB currently offers access to the collection to 12 libraries and 12 school systems in Ontario registered with our Visunet Canada partner programs.

1110

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

Mr. Hickey: Okay. I think what I'd better do is the final recommendation.

To meet the growing need for accessible literacy material for all Ontarians, CNIB requests that the province assist CNIB library by providing funding through the Ministry of Finance's Strengthening our Partnerships program. A grant of \$488,000 would enable the CNIB library to provide for its information infrastructure. For an additional \$500,000 the government of Ontario could help CNIB stock its digital shelves with approximately 2,500 new titles.

In summary, CNIB thanks the standing committee on finance and economic affairs for this opportunity to provide direction on the 2007-08 Ontario budget. Our organization believes that government investment in critical areas—rehabilitation services for seniors and persons with disabilities, services that encourage equitable participation for all Ontarians, targeted early years services for children, and accessible library services—will create benefits for the whole Ontario economy. Thank you.

The Chair: Thank you for the presentation. This round of questioning goes to the NDP and Mr. Prue.

Mr. Prue: I have five minutes for questioning, but I would prefer for you to give the committee the full picture. I think what you're trying to say on strategic investment in children's services needs to be said. So my request is, please say it.

Mr. Hickey: We're finding that the investment that we're receiving from the provincial government is fine. They have, I believe, just made an announcement the other day in terms of increasing that funding, Michael. Over the past 10 years, where we weren't getting increases—certainly we're happier with what's going on right now.

Mr. Prue: Okay. So it's not true, then, that 33% of the parents with children who are blind or visually impaired reported that their children had unmet needs? That's no longer the case?

Mr. Hickey: No, I wouldn't say that's no longer the case. That study was done in 2005. In terms of that final investment, it has been increased in the last couple of days. We're not sure where that money is actually headed for. So at this particular point in time, to answer your question, it's a little premature for me to answer that at this point.

Mr. Prue: So you're hopeful—

Mr. Hickey: We're encouraged.

Mr. Prue: You're encouraged that with some government funding this may no longer be an issue, but it was an issue until two days ago.

Mr. Hickey: It was an issue back in 2005, yes.

Mr. Prue: In terms of the library, I had the opportunity to look at the library in the old building. The CNIB headquarters is approximately 100 metres north of the border of East York, of which I was the mayor. We often went there for many events.

According to your figures here, you could stock the library with 2,500 more works for \$500,000. That's about \$200 a work. Is that an approximation of what it costs to have a book translated into either Braille or for voice? Is that the cost?

Ms. Karen Madho: That's an approximate cost. We are hoping that the government will consider this additional funding because we do want to be able to reach that many more Ontarian users.

Mr. Prue: How many people use that service? How many people come in to use the service or use it via mail? I know you do some of that too.

Mr. Hickey: Yes. It's no charge in terms of mailing. I don't really have that number. I'm sorry, Michael, I don't

have that total number. Unfortunately, I'm the regional manager for central region and I don't have that total Ontario number, but I know it's tens of thousands.

Mr. Prue: For many years I attended the production there of the Glenvale Players, who put on wonderful plays with both sighted and non-sighted people. Is that still available? Is it still around? It was one of the things I thought the CNIB, through that, did a brilliant job on, of getting people to participate in the arts.

Ms. Madho: It's my understanding that they still host that in the CNIB Centre on an ongoing basis, reaching out to the community.

Mr. Prue: Tell them to invite me again, because I'd like to go.

In terms of funding from other sources, the CNIB is a national organization. Do you get much money from the federal government at all? This is an organization that's spread out across Canada. We have people in all provinces who need the help. The national headquarters is in Toronto and in Ontario. What does the federal government provide, if anything?

Mr. Hickey: I know that totally our government funding is about 27%, and I believe there was some money in the library services, but it's not usually a continuum. I don't have the percentage on that, Michael.

Mr. Prue: Okay. I do thank you for your deputation, and the first two points you made I think are on point: You need to have sustainable long-term funding that can be looked at, that goes up with the economy, and you shouldn't be wondering every year at budget time whether it's going to be there again. So I thank you for your deputation.

Mr. Hickey: Thank you.

The Chair: And thank you. We appreciate it.

COUNCIL OF ACADEMIC HOSPITALS OF ONTARIO

The Chair: Now I call on the Council of Academic Hospitals of Ontario to come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation, and there could be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Joe de Mora: Thank you very much. We're pleased to be here. My name is Joe de Mora. I am president and CEO of Kingston General Hospital and I'm on the board of the Council of Academic Hospitals of Ontario. I'm joined by Marty Gurbin, who is on the staff of CAHO.

I am here to talk to you again this morning about the situation with respect to research. Before I do that I'd like to just talk a little bit about the economic impact of the organization that we represent.

CAHO, the Council of Academic Hospitals of Ontario, represents 25 hospitals—of the roughly 150 hospitals in this province—whose primary mission is devoted to the training of health specialists, research, and of course in terms of tertiary care. There is a great over-

lap of responsibility in this province between the roles of the teaching hospitals and the research mandate, and that's primarily what we're going to talk about this afternoon.

The academic hospitals are the only facilities in the province that offer training in specialty areas such as neonatal intensive care, neurotrauma, transplants and a whole number of other very complicated programs that require the facilities that the CAHO hospitals have for service and for training. Collectively, they have investments of roughly \$8 billion a year in these 25 hospitals, including the research mission.

I want to speak primarily today, though, from the point of view of research. From a research perspective, academic hospitals and the research institutes associated with them perform over 80% of all the health research in the province, and by that I mean that it's physically based in our institutions. To put it in perspective, that is four times what Ontario universities provide. The facilities and staff are actually in the hospitals.

In 2005-06, \$850 million was invested. That supports a staff—that includes researchers, scientists and so on—of roughly 10,000 scientists and their staff, an extraordinarily broad perspective in Ontario for research, internationally leading research in a number of areas. In fact, our researchers have been quite successful in drawing grants from other countries as well in cancer treatment, medical imaging, minimally invasive surgical procedures and so on.

The health research, we would argue, is the brain of the whole academic and health care system. It helps to push the envelope, it allows new techniques to be developed, and it acts as a magnet for new investment and jobs. I can't overemphasize the importance of the economic portion of what this does. In addition to creating opportunities for jobs, it allows the economy in this province to prosper and grow, and the spinoff companies that result from this are very important contributors to our economy as a whole.

1120

We see an opportunity to build upon this. We have a lot of core strengths and we'd like to position Ontario as the place where scientific and biological research can take place. We need to get a whole lot better in terms of how we allow that research to develop to the next step and become good at commercialization and to achieve the ends that we'd all like in terms of the economy.

There are some key constraints, we believe, in terms of allowing us to move forward.

It's true in the science business that a lot of the breakthroughs come from discovery-based research, i.e. at the bench, and yet funders are averse to actually funding that kind of research. There needs to be more thought given to how you start the ideas in the first place.

Our research institutes are engines of innovation. There has been a lot of good, recent discussion on how to capture the economic value of these investments. To improve our track record in the commercialization of ideas generated by researchers, we need effective and trusted business support to identify and bring the best ideas

forward. In other words, we need to be able to sort through how one approaches IPOs and commercialization of the research in order to allow that to flow through the economy of Ontario.

At the moment, many institutions—too many institutions—are actually cobbling together the funds that they need to keep researchers in place. There's a very real risk that we're going to lose some people from this province to other provinces and other countries. Unfortunately, some of our neighbouring provinces further to the west, shall we say, and certainly institutes in the United States are only too happy to pick up the people whom Ontario has already invested a lot of time and money in. We'd rather see those people staying here. It's an important issue for us. We need to find a way to keep those people here. It's a relatively modest investment we believe, in the order of magnitude of \$50 million, that will sustain the salary support for people in that business in order to keep them here. The multiples of return on that investment are substantial.

So we ask that you help us to develop this legacy for the future. We believe it will have an impact on the economy of this province. Apart from the fact that it improves health care by having brilliant scientists and researchers available to us for patient care, it's also a very strong economic driver.

If I could, for the last minute, I'd like to spend just a few moments talking about the situation in academic hospitals in this province, increasingly over the last number of years. The problem is that we're increasingly unable to discharge our patients who are in beds that we call ALC—alternate levels of care beds—in a timely way. The system is becoming gridlocked, with occupancy levels in acute care hospitals now in the range of 98%. The economic benefits and the logistics get extraordinarily complex when occupancy levels rise beyond 88% or 90%; we're at 98%.

In the absence of the ability to discharge these patients, admission of emergency patients is being delayed. Surgical cases are being cancelled in increasing proportions of the total number of cases. Alternate levels of care patients occupy 10% to 20%—in some cases, as much as 40%—of available beds that are specially devoted to acute care. We're talking about a group of people who are in beds who no longer require that kind of care. They need a long-term-care facility, a palliative care facility or a complex continuing care facility. They don't need the acute care bed in a teaching hospital—or a large community hospital, for that matter.

Critical care capacity is also an issue. I'm talking now about the sort of facility that you'd see on television where you have patients on ventilators and people on balloon pumps and highly specialized equipment, for which there's one-on-one nursing care. We don't have enough such facilities and we're forced these days to have people go out of the province in increasing numbers.

Our system needs to work together. There's a lot of work that's been done between parts of the system to ensure that we become more efficient and more effective

as a group so that we are able to translate those advantages to our patients and our community. We need the ability to discharge our patients effectively to more appropriate facilities, such as those I've mentioned, and we need to identify an expansion of our capacity inside the province and outside of acute care in order to ensure that the whole system's working. In short, we need to actively consider what facilities we need for an increasingly elderly population.

To give you an example, a lot of the population in intensive care units—for example, I was in ours not long back. The average age of a person in that facility was 65. It was only that low because there were two 30-year-olds who had had a motor vehicle accident. It's quite an elderly population and there's more of that coming. We're not yet prepared for this, and we must be. It takes a long time. We need to think about what we need in the community and we need to think about what we need in terms of acute care capacity and ways to translate that into places for people to go.

Thank you. I'd be happy to answer any questions if you have them.

The Chair: And thank you. The questioning goes to the government.

Ms. Marsales: Thank you, Mr. Chair. I'll be sharing my time with my colleague Mr. McNeely.

First and foremost, we completely agree with your statements with respect to research. I come from the Hamilton area, and as you know, we are just in the process of trying to set up a research park that's going to be a collaboration between the academic community and the medical community, also moving forward the commercialization you spoke of a minute ago. We're extremely frustrated by the lack of support from the federal government at the moment. I was wondering what level of advocacy you're at with the federal government in terms of coming to the table to support the provincial initiative for innovation, because we're certainly there in wanting to move this agenda forward.

Mr. de Mora: That's a very good question. In fact, most of our members are also members of our national association, and its particular mandate, along with our Ontario association, is in the area of research. We've been very strong in wanting to ensure that there is a variety of mechanisms to support research at a federal level. The federal government has responsibility primarily for research, as compared to Ontario, which has a mandate for patient care primarily, so we speak at the federal level to try to get infrastructure money in particular. We believe that, unlike grants in the United States, where granting organizations build in a component that allows those institutions to build new buildings and so on—require the infrastructure—most Canadian grants, particularly federal grants, don't include such a component. There has been a fund set up recently through CFI federally that does allow that, and there has been some issue between the provinces and the federal government in terms of the matching portion of that.

We would agree that the federal government really does need to step up to the plate on this and to put more

money into the system. The issue, from a provincial perspective, will be how best to match that funding so we can bring that money to Ontario, as opposed to, say, Alberta or BC, where we're currently considering it.

Mr. Phil McNeely (Ottawa–Orléans): My question was along the same lines. I think Jeffrey Dale of OCRI in Ottawa has come up with a figure of something like \$5 billion lost to Canadian production just within the health care budgets, that is coming from offshore because we can't supply our own, I suppose, development etc. We haven't had a good record in Canada of commercialization. That's what was in the last question. It's a big amount: \$5 billion is really significant if we look at it and look at where we have to go as a country. How do you deal with that? The person in charge of OCRI—I forget his name—told me that the expertise that's missing now at universities is the management skills that take a product from the research to the market. Do you have any comments on that?

Mr. de Mora: Yes, I do. Actually, I would say that there are probably two or three different parts of this.

Compare us, for example, to the American economy. There's a premium placed on innovation in the United States. A lot of their innovation is funded through the private sector, which is willing to take a risk on new products, but they have tax incentives to allow that to occur. In this country, we've been somewhat more risk-averse. The tax structures of the federal and provincial governments haven't been such that they've rewarded the private sector for taking those initiatives, so we've translated that in this country into federal-provincial grant-type operations, and they are only partially successful.

Another issue is the one you raised. There's not as much experience in terms of how to get a product from the bench into the marketplace, primarily because there has not been a lot of activity in there—although there are centres; Queen's, in Kingston, actually, is one that does a good job of that. The problem is start-up funds, seed funds, for the new companies once the product is developed. So it's not just money, it's investment capital. It requires, at the moment, the investment of private companies once the product gets to the point where it's commercialized.

The third issue is manpower. You have to be careful that the risk is taken to hire the people and the staff and that the market for that product expands. Of course, the market in Canada is relatively small, so it relies on European and American markets in order for that product to grow.

The Chair: Thank you for your presentation.

1130

GREAT LAKES SOCIETY
FOR DEVELOPMENTAL SERVICES
OF ONTARIO

The Chair: I call on the Great Lakes Society for Developmental Services of Ontario to come forward, please. Good morning, gentlemen. 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. Geoff McMullen: Good morning. My name is Geoff McMullen. I am president of the Great Lakes society and I am also executive director of Developmental Services of Leeds and Grenville. With me today is Brian Davies, vice-president of the society and also executive director of Bethesda in St. Catharines, so he's had the longer drive this morning.

The Great Lakes society is a provincial association of developmental services agencies throughout Ontario. Our agencies provide specialized services, professional services, as well as residential and day supports to children, youth and adults who have a developmental disability. Our society is committed to working in partnership with the government to provide the highest-quality supports and services for people with developmental disabilities.

With a membership of 15 agencies, the Great Lakes society provides support to over 9,000 adults and 6,000 children. We employ approximately 2,500 full-time-equivalent employees with a combined budget in excess of \$150 million. Basically, we are the major provider of clinical and specialized support services in the field in Ontario, and we are located all around the Great Lakes.

The current environment: We are here today to reflect on the present, and begin to look to the future, of supports to the residents of Ontario with developmental disabilities, their families and our communities. The developmental service sector is at a critical juncture of development. The Ontario government through the Ministry of Community and Social Services has committed itself to the process of transforming the sector. With the remaining three institutions being closed and the anticipated changes resulting from the transformation, developmental services is certainly at a crossroads.

Estimates of persons with a developmental disability range from 0.75% to 3% of the population. One per cent of the population is academically accepted as a reasonable estimate. That translates to approximately 120,000 children, youth and adults in Ontario. A key factor in transformation will be the identification of the population who are potential consumers of service, the numbers we presently serve and the numbers who are on waiting lists. After all these years, we still don't have those numbers hammered down, that's for sure, as a province. It is very important to remember that the majority of the population we are talking about will require a varying degree of lifelong supports. Unlike other social services, early intervention, treatment or rehabilitation will not eliminate the need for lifelong supports. That said, we need to provide services at the right time and at the right intensity to support a quality and inclusive life, not one of total dependence.

Transformation of the sector in Ontario affords us the opportunity to strengthen supports to society's most vulnerable in a meaningful way. The Ontario government's goals are to achieve greater independence, dignity and self-reliance for people with developmental disabilities.

The stated context is fair and equitable, portable, flexible and sustainable. The Great Lakes society supports this transformation. However, transformation must occur through a planned approach over a number of years and an ongoing financial commitment by government. It's not a short-term fix. I don't think any of us can handle it either program-wise or financially. It's a long-term direction.

The Great Lakes society specifically requests that the following recommendations receive support for inclusion in the committee's report:

(1) a commitment to support the need to invest in the transformation of the developmental services not only in the 2007-08 fiscal year but over the next number of years;

(2) that the Minister of Finance, in co-operation with the Minister of Community and Social Services, ensure a funding increase of \$200 million for the sector in the 2007-08 fiscal year and provide for ongoing investment in funding within its longer-term fiscal framework designed to address:

—support for people who are in immediate need and currently without services, and I'll speak further to that in my presentation;

—a comprehensive recruitment and retention strategy for the developmental services sector that will provide appropriate training, education and compensation for staff. There are many agencies and families today who can't hire staff, and definitely qualified staff. In the specialized services we're similar to the health care services: They're very hard to find. We have to start sowing the seed for tomorrow.

—We need a sufficient level of funding to stabilize the present service system. This system has been underfunded for years, it's at its max and it certainly has not kept pace with other costs.

—Investment in specialized services that will address both complex and behavioural care needs. Many of our specialized services can complement the generic services, and it builds capacity in those generic services. We know we don't have enough doctors, MDs, around this province, so we can't put more work on their load.

—We need support for ongoing investment in research and evaluation of all supports and services. When you think that this is roughly a \$1.4-billion investment in Ontario, we have to know, are we doing things effectively and can we continue to grow and evolve? In my context, that's pretty big business.

In closing, we would like to give you a Kingston and region perspective. We are talking about the area roughly from Belleville to Brockville, Lanark to north Frontenac. The population of that area is approximately just under 500,000, as you can see—487,000. Our regional developmental services data show requests for new services of over 750 yearly, with close to an even split between children and adults. That's 750 yearly who are coming into the system with a developmental disability, and that has been consistent over the last five years.

Our pressures and priorities list shows 379 cases. These are individual cases, I often say, that are on the

cliff or maybe even a foot over the cliff in some cases. Here are a couple of examples, and I know you'll all have seen some of these in your constituency office.

One case was an 82-year-old woman who recently entered a nursing home. She leaves behind her a 47-year-old son with no long-term residence. This younger man needs 24-hour supports. He was living with his mom and it wasn't healthy there, but he's now without any supports.

A 78-year-old widower who was fortunate enough to find his 50-year-old son a place to live, actually a 24-hour residential, still has not found accommodation for his 48-year-old son. The minister and his MPP hear from him on a regular basis.

We have a couple in their late forties who do not know who will look after their daughter when she no longer has school. They already live a life in which they both rarely sleep. She is so active that one has to be up at all times. We have staff that support at times on respite, and it wears the younger people down. I don't know how they do it.

So I think you probably can relate to many of these. We need to act immediately on a journey to transform our system through a co-operative effort of government, families, agencies and communities. We need to invest in energy and dollars over a number of years to reach our shared goals.

We ask for your support, we thank you for your time and welcome your questions.

The Chair: Thank you for the presentation. The questioning will go to the official opposition.

Mr. Hudak: Thanks to both, Brian particularly, for making the trip from St. Catharines. Did you cut across the lake, actually? It will save you a couple of hours altogether.

A couple of quick questions here: I appreciate your point with respect to estimating the funding level necessary to close the gap in care, which you said would be about a \$200-million increase to the sector, not only in this upcoming fiscal year but as a permanent increase.

1140

Mr. McMullen: At this time, Tim, we're looking at an increased catch-up, and then it gives us time to start to plan it. If it would be \$200 million year after year, I think we need to do some work as a government and as a sector to ensure—

Mr. Hudak: It would be \$200 million and then an additional \$200 million the year after, a \$400-million increase at the—

Mr. McMullen: No. Two hundred million dollars would get us caught up, then further on with the transformation, and then start to do a plan: How do we do the catch-up?

Mr. Hudak: And \$200 million would be what kind of proportional increase in the budget for developmental disabilities under Comsoc? Do you know? The whole budget is \$8 billion or something.

Mr. McMullen: The total to Comsoc itself or to the field itself?

Mr. Hudak: To the field.

Mr. McMullen: To the field itself it's probably in the 15% to 17% range.

Mr. Hudak: I'll give you a couple of examples just to make sure I follow—actually, let me ask you this first: For the members of the Great Lakes Society for Developmental Services of Ontario, what is your relationship with the ministry? Is there a direct funding envelope that you get year in, year out, no matter who is utilizing their care? Is it tied to the individuals? What's the funding arrangement for your members?

Mr. McMullen: We do have yearly program funding. It has not increased, yet the demand increases. The ministry last year did have some catch-up, but for a number of years we had very little increase.

Mr. Hudak: So you had a base funding no matter the needs of the individuals who are in a particular site?

Mr. McMullen: That's correct. We do have some individual funding. Maybe Brian—I don't know.

Mr. Brian Davies: I think, Tim, if I understand your question, as 15 members of the Great Lakes society, we actually work directly with their regional offices, so the Great Lakes society doesn't receive funding directly.

Mr. Hudak: No, I meant the individual inspections.

Mr. Davies: Each individual agency will sit down and do a budget review annually with their regional office. But of course any incremental increases are really dictated at a provincial level.

Mr. Hudak: You used the grand term of "transformation," and we're all familiar with the transformation agenda at the ministry. What does that mean, aside from the closure of the last three remaining institutions? What other transformation is taking place?

Mr. McMullen: Do you want to tackle that?

Mr. Davies: Absolutely. I think some of the issues are accessibility, making it more accessible for families. Some of the issues also are trying to take a look at the service delivery and how we're delivering it. Some families want to receive the money directly, so we're looking at what we're referring to now as direct funding options. We're really opening up, and the Great Lakes society sits at a partnership table with the Ministry of Community and Social Services. We're looking at how we do business in every aspect and asking, "Can it be done more efficiently? Can it be done in a way that gives more choices to families, choices that they're asking for?" and we're responding accordingly.

So it's more than just the depopulation of the remaining three schedule I government-owned facilities. It's also just taking a look at how we've done business the last many years. Included in that, we hope, is this understanding that the field is an underfunded field for a population that, I would like to suggest to the table, is probably the most vulnerable in our society. I think that understanding has transcended many governments over the years.

Mr. Hudak: I know that Bethesda is delivering the autism initiative in Niagara. Bethesda has an excellent reputation, so I know it's making every effort. Wait-lists

have grown across the province. That's of concern. How are we doing on the wait-list side and what is your advice to the committee in terms of the best method to reduce those wait-lists for autism treatment?

Mr. Davies: As I'm sure many of you are aware, the autism program is very prescriptive in its treatment modality, and because of that, the costs related to it are very prescriptive as well. The recent funding that has been announced by the government has gone a long way to helping with the wait-lists that we have right now for that program. However, there remain more families out there. The government and, I think, most people are aware that in fact there is that wait-list. Quite frankly, Tim: more money to be able to provide that service to those people.

Mr. Hudak: Thank you.

The Chair: Thank you for your presentation this morning.

For the committee, our 11 o'clock has cancelled. Lunch will be in the restaurant. There's an area put aside for us. We are recessed until 1 p.m.

The committee recessed from 1145 to 1300.

ONTARIO CAMPAIGN FOR ACTION ON TOBACCO

The Chair: The standing committee on finance and economic affairs will now come to order as we continue this afternoon's hearings.

Our first deputation is from the Physicians for a Smoke-Free Canada, if you would come forward, please. Good afternoon. You have 10 minutes for your submission. 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. Michael Perley: Good afternoon, Mr. Chairman, and members of the committee. My name is Michael Perley. I'm a director of the Ontario Campaign for Action on Tobacco. With me today is Cynthia Callard, who is director of Physicians for a Smoke-Free Canada, as identified. Thank you for this opportunity. We'll be brief.

In previous testimony before this committee on the matter of tobacco taxation, I noted that roll-your-own tobacco is not taxed the same way that regular manufactured cigarettes are. The tobacco companies have found a way to increase the volume of loose tobacco and, in essence, today you can get the same number of—

Interjection.

Mr. Perley: We may get there.

You can get the same number of cigarettes out of half the volume of loose tobacco that it takes to manufacture cigarettes and yet they're not taxed the same way, so we encourage you to do that.

The more important subject we did want to talk about today, which you're now seeing evidence of, is contraband. Contraband tobacco poses a serious risk to tobacco tax revenue intake by the government, to the health of Ontario citizens and to the government's tobacco control

strategy. Continuing growth in the presence of contraband is undermining the government's ability to fulfill its 2003 campaign pledge to raise tobacco taxes by \$10 a carton. The government is still \$2.50 a carton short of this objective, and much farther away from the current average of national-provincial tobacco tax rates.

Minister Sorbara recently estimated that tobacco tax revenue has fallen by about \$80 million a year over last year. The extent to which this revenue loss is attributable to the sale of untaxed contraband product, as opposed to reductions in smoking prevalence, is simply unknown. Imperial Tobacco estimates that one in four cigarettes consumed in Ontario today is contraband.

Our agencies and our office have received I don't know how many reports from public health officials across the province that contraband, including sale to teenagers and pre-teens, is widely available everywhere. Access by young people to contraband makes a mockery of the province's legislated sales-to-minors prohibition, which is supported by all three parties and has been for years, and has the potential to undermine other youth prevention strategies currently employed by the government.

Tolerance of the continuing presence of contraband in our communities, in addition to giving free rein to the activities of organized crime, encourages an atmosphere of tolerance of illegal behaviour, not to mention the concept that government policies and programs in the area of tobacco control are at least partly ineffective.

Perhaps the most unfortunate aspect of the contraband issue is that there are many remedies which still await action. Physicians for a Smoke-free Canada has reviewed these remedies for you today. Also, the three of us have had some very interesting experiences this morning on the Tyendinaga reserve, which I'll ask my colleague Ms. Callard to tell you about.

Ms. Cynthia Callard: Thanks very much. This is my first time appearing before an Ontario finance committee. I usually work on federal issues. I think the fact that you're being addressed by a provincial NGO and a federal NGO speaks to the need we see for joint federal-provincial and also First Nations government actions to deal with this really significant, growing problem of contraband tobacco.

The sad fact is that we don't really know how much of the cigarettes that are being sold now are contraband. The reason we don't know is because none of the agencies of the federal government—the federal health ministry, the federal finance department, the RCMP—nor the provincial government or any of its branches has undertaken a systematic monitoring of tobacco sales. Sadly, the only people who have really conducted studies are the legal tobacco industry. We've reviewed their methodology and we've reviewed their results and we think that they are credible findings—as, I understand, do most of the governments.

On the basis of that, we believe that at least 10% of the cigarettes sold across Canada are illegal. This is why we brought packages of illegal cigarettes to you today, to

show how easy it was, how much of a threat they are. Each of those bags of cigarettes contains the same number of cigarettes that are normally in a carton of cigarettes. Each of those costs about the same price as a package of cigarettes. In other words, these cigarettes are eight times cheaper than regular cigarettes.

When cigarettes are cheaper, we know that in Canada, as in every other place around the world, people smoke more and more people smoke. These are a real threat to public health. But they're also a threat to revenues. Looking at what's happened with federal revenues, we believe that the increase in smuggling just over the last two reported years has been \$280 million. Federal taxes and provincial taxes on cigarettes are roughly similar, so the Ontario proportion of that would be \$80 million to \$100 million. That's a lot of money. That's enough money to actually solve the problem.

This is a solvable problem. The solutions are not extensive. What's needed are changes to legislation, to tax law, to tax practice and to controls over the raw ingredients of tobacco products so that it's no longer possible for these illegal factories to set up shop to make cigarettes and then to sell them. By cutting off the supply of the inputs, you don't need to worry about vexatious policing actions in and around reserves. You can deal with the problem at its very source.

Our problem in Ottawa is that nobody is trying to do this. We've had five health ministers in the past five years and we've had almost as many finance ministers. It's a revolving door in Ottawa these days. It's very hard to get people's attention to deal with an issue. But this is an issue that affects the Ontario government and Ontario citizens as much as it does the federal government and all Canadians.

What we're looking for and what I'm hoping this committee will do is to include in any report it makes to government the absolute need to give this problem priority. But also I'm hoping that at an individual level, you'll help us by taking some of the actions that will make it a priority: that you'll put pressure on your federal colleagues to give us a solution; that you'll put pressure on your own caucuses, on your own leadership, to identify this as a problem; and that you'll raise the issue with your own ministers to ensure that there is some action taken to monitor the problem, to study the solutions, to find effective ways of doing it and to collaborate with First Nations governments and with others. It's not just federal law that's being broken; it's not just provincial laws that are being broken; it's also First Nations laws. This is a problem that transcends all of our borders.

Ironically, Canada has entered into an international treaty on tobacco control where countries commit themselves to collaborating to reduce tobacco smuggling. The irony is that the borders that we have the most difficulty with are the borders within Canada itself.

Healthier communities, richer communities, and less crime-ridden communities can result from very simple steps that governments can take, but they won't take them until they're asked to. So we're hoping that you'll

help us in this regard and that you'll give this problem the attention that we think it merits. Thank you.

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

Mr. Prue: First of all, what does one of these cost? You said it's the same as a pack. Was it about 10 bucks?

Ms. Callard: We purchased them on one reserve at a number of stores today. Ten dollars was the cheapest we paid and \$15 was the most we paid.

Mr. Perley: I bought two bags like that and two packages of Rothmans for a total of \$39, which is a little bit more than half the price of a carton of main brand cigarettes in Toronto today at a convenience store. That's an idea of the order of magnitude of difference.

Mr. Prue: Where do they get the tobacco? Do they get it from Ontario or is this offshore? I've heard some of it is Chinese tobacco now. Is that true?

Ms. Callard: The Quebec government changed its laws recently to allow it to seize cargo tobacco. They have, as a result of that change in law, done some seizures. Some of the tobacco is coming from offshore. We did find tobacco sold on the reserve that was advertised as being Canadian tobacco. If so, that's tobacco that's illegally sold. It is illegal to sell tobacco in Ontario outside of the quota system, outside of the marketing board.

1310

Mr. Prue: The reason I ask that is that we had some people here from the Ontario flue-cured—

Mr. Perley: The flue-cured tobacco marketing board.

Mr. Prue: Yes, and they said that the number of farms that are producing tobacco in Ontario is down 60%. I think that was their figure. Only 39% of those who produced it 10 years ago are still in the business. That's why I'm very curious. If we're not producing tobacco, it must be coming from offshore, or maybe that board wasn't up to date on its information.

Mr. Perley: Mr. Barrett might have a more precise number, but my understanding is there are between 600 and 700 farmers left in the region. That's a lot of people to produce cigarettes for. In the case of Tyendinaga, which is what we're talking about here today, which is where we were this morning, there is one illegal manufacturing plant on Tyendinaga. We don't know where it gets its tobacco because it's not licensed, so it does its operations underground. But in the case of GRE, my understanding is that GRE gets some of its product from Ontario. So the fact is that there are many fewer producers than there were five or 10 years ago, but that doesn't mean there still isn't a very significant amount. We're talking in the order of 50 million to 60 million pounds total probably, and if half of that's exported, that still leaves half for Ontario consumption. That's a lot of tobacco to supply a lot of manufacturers.

Mr. Prue: Mr. Sorbara said that the \$80-million shortfall this year is likely the result of people buying on the reserves. Do you think that that's a reasonable assumption? I was hoping that maybe some people had quit.

Mr. Perley: If you look at the Canadian tobacco use monitoring survey results—and we have to interpret them with a bit of caution because there's an error of plus or minus 3%, I believe—since 2004, the number of people who are daily smokers in Ontario has gone from 19% in 2004 to 14% in the first half of 2006. Now, that's people who smoke, not people who smoke and buy main-brand cigarettes. So that's good news. On the other hand, Minister Watson has noted that there has been an 18.7% reduction in the consumption of tobacco from 2003 to 2005 in Ontario. Well, the problem with that number is that it's main-brand product only. It doesn't take into account how much of main-brand product may have been displaced by contraband over that time. We may have had that reduction in consumption or we may not have, we don't know, because they're only basing those calculations on main-brand product, the legally sold, legally taxed product.

Mr. Prue: Can these cigarettes be sold to minors in these stores? I've never been in one. I don't smoke, so I've never had a cause to go in.

Mr. Perley: I've had tobacco enforcement officers from two health units tell me that under current sales to minors restrictions, they have to do two inspections a year of all their retailers and that they're wasting their time. In the case of one enforcement officer in particular, there is a reserve near his office where kids go regularly. They can buy individual cigarettes, they can buy packages, they can buy main brand, they can buy GRE-produced, they can buy bags, they can buy bags of loose tobacco, and there's no restriction at all.

Ms. Callard: But the big issue is that most people who buy these cigarettes don't necessarily drive themselves to the reserves. They buy them the same way they buy dope: through informal illegal sources. So the kids get cigarettes from a baggie, from someone whose uncle bought it from a cousin, who bought it from a neighbour, who bought it from a friend who goes down every week and picks up a trunkful.

When we went to several stores today—I am not a status Indian; I have no entitlement to buy tax-free cigarettes on reserves—we were never asked to produce any identification. We were never asked to limit the quantities we were buying to what might be a normal non-commercial amount. We bought big bagfuls. We were able to use our Visa card. Banks clearly have a relationship with these establishments. At every part, it's not being policed.

I found it interesting that they were not selling alcohol; they were not selling guns; they were not selling other things. I wondered, why is it that there's been this kind of no-go curtain created for cigarettes? It's a kind of permitted lawlessness. What we're trying to get people to get their heads around is that this is not a trivial problem, selling cheap cigarettes. If it weren't for the illegal cigarettes, we think that there would be even fewer people smoking and certainly there would be less disease. The Imperial Tobacco study showed that those who bought illegal cigarettes smoked a lot more than people who had

to pay a higher price, and this is consistent with what we know everywhere. People limit what they do in these behaviours according to what they can afford to do, and the price itself is a trigger for people to say, "I can't afford to do this any more."

The Chair: Thank you for your presentation.

EDUCATION EQUALITY IN ONTARIO

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

Mr. Geraint Jones: Thank you. My name is Geraint Jones. I'm here today with Leonard Baak. We represent Education Equality in Ontario, of which we're both directors, and Leonard is president.

The Chair: You can begin.

Mr. Jones: Thank you. Education Equality in Ontario is a non-governmental human rights organization and education advocacy group that seeks the merger of Ontario's public and separate school systems into a single secular school system for each official language—

Interruption.

The Chair: We're having trouble hearing in the room, so if people could move to the—

Interjections.

The Chair: Sorry to interrupt, but members are saying that they can't hear you. So you can go back a few words and start over again. I'll add some time. Go ahead.

Mr. Jones: Thank you.

Education Equality in Ontario is a non-governmental human rights organization and education advocacy group that seeks the merger of Ontario's public and separate school systems into a single secular school system for each official language, one English and one French.

For well over a hundred years, the Ontario school system has segregated children along religious lines; or at least, into Catholic and non-Catholic sectors. In the 19th century, there may have been a legitimate purpose for that segregation that justified the cost of the resulting duplication. Neither the segregation nor the resulting duplication can be justified today.

Financial challenges arising as a result of declining enrolment, rising costs and government policies have contributed to a new annual phenomenon: school board funding crises. Neither public nor separate school boards are immune to the effects of this phenomenon. Despite recent funding improvements, most school boards are continuing to cut programs and facilities of great value to the communities they serve. This trend cannot be allowed to continue. It must be, and can be, reversed.

The province of Ontario spends \$17.5 billion annually on education. Despite this, many of our school boards still face financial crises every year. The Ottawa-Carleton District School Board is facing a \$28-million shortfall—over \$400 per child. The Toronto District School Board managed to avert a takeover by, amongst other things,

decreasing maintenance spending by \$40 million. The Toronto Catholic District School Board needed to implement a two-year plan to balance its budget. And the Dufferin-Peel Catholic District School Board had a co-management team appointed by the Minister of Education to assist them in the development of a balanced budget plan. The circumstances facing many of our school boards have led them to seriously deplete, or even eliminate, their reserves in an effort to avoid cuts that will hurt children in their charge.

Many school boards are also delaying much-needed maintenance. As an example, the Ottawa-Carleton District School Board is now faced with a staggering maintenance backlog of over \$325 million. That's over half of its \$580-million annual budget. The province will provide only \$11 million to cover those repairs this year. At that rate, even in the absence of inflation, it will take nearly 30 years to catch up. It's clearly not enough. Compounding the problem is the fact that when maintenance problems are ignored, they tend to multiply. When you don't fix a leaky roof, you get mould, rotting rafters and falling ceiling tiles. Yet that is what is happening across the province as school boards attempt to shield children and their families from the effects of insufficient funding.

1320

School enrolment is decreasing. In rural and northern areas and in many urban neighbourhoods, the decline has been particularly severe. That decline has presented new challenges to all Ontario school boards. Funding is tied to enrolment, and declining enrolment means declining funding. Complicating matters is the fact that seriously under-enrolled schools are also less cost-effective to run than schools where enrolment comes closer to the school's designed capacity. It costs just as much to run, heat, and staff a half-empty school as it does a full one. While never popular, Minister Wynne and many trustees are now accepting that many seriously under-enrolled schools will have to close. Ontario simply cannot afford to continue to fund nearly 200,000 unused pupil places.

The unnecessary and wasteful duplication in the Ontario school system exacerbates the funding challenges facing our schools. Ontario can no longer afford to fund two competing school systems in each official language to serve students in overlapping jurisdictions. Ontario can no longer afford to bus tens or hundreds of thousands of students past their nearest publicly funded school each day to attend another publicly funded school. Ontario can no longer afford to fund a religious school system where 70% to 80% of the families using that system do not even go to church.

Ontario's school funding formula recognizes that the more geographically dispersed students and schools of English Catholic and French public school boards put them at a cost disadvantage compared to their larger coterminous boards—English public and French Catholic. The formula mitigates that disadvantage through higher funding for the administration and governance, geographic circumstances and transportation grants received by the smaller school boards. Even the larger boards,

however, have lower student and school density than they would have under a single unified school system. They too require higher funding for these same grants than they would under a single school system. The funding formula implicitly recognizes the inefficiency of the status quo.

On top of the wasteful duplication in our school system, the funding formula often favours separate school boards. Let's start with ESL funding. The funding formula provides 50% of the funding based on actual ESL enrolment and the remaining 50% based on total student enrolment and the StatsCan ESL rate for the geographic region. Figures from EQAO and board enrolments show that the ESL enrolment rates in two of the larger public boards in the province—Toronto and Ottawa—are two and a half times the enrolment rates of those in their coterminous separate boards. This means that boards with lower ESL enrolment rates receive a disproportionately large share of the ESL funding. In the case of the two Ottawa-Carleton school boards, the separate board receives 18% more funding per student than its public counterpart. Hardly fair.

Another area of inequitable funding is transportation. The province gives the Ottawa-Carleton Catholic District School Board 46%—that's 46%—more funding per student than the Ottawa-Carleton District School Board. This inequity continues despite the fact that the boards have similar needs as measured by urbanization and average-distance-to-school factors. Such local funding inequities highlight the need to move to one school system.

These transportation inequities have persisted for over eight years. Despite acknowledgement from Ministry of Education staff that there is a problem, nothing has been done to address it. Recently, however, the provincial government mandated transportation consortia as a cost-saving measure. This plan is an implicit admission that joint administration and joint management of resources are financially beneficial. The same idea can be applied across other types of contracted services used by school boards. Purchasing consortia for supplies is another area of joint endeavour that will save public money.

Moving to one system will realize all of the advantages of joint administration to a greater degree than with two systems, and it will realize further efficiencies from the elimination of overlapping services.

Ontario's separate schools have an absolute right to refuse admission to non-Catholic students up to grade 9 and can and do refuse employment to non-Catholic teachers at all grade levels. Only Ontario Catholics enjoy publicly funded school choice, and they bear no additional tax burden for the privilege. They suffer no disadvantage that might warrant such preferential treatment. By allowing this blatant discrimination to continue, the government violates the equality rights of over seven million non-Catholic Ontarians, discriminating against them on the basis of their faith or lack of a faith.

Furthermore, figures collected from Statistics Canada for the Ottawa region tell a disturbing story. Whilst 45%

of the region is Catholic, only 17% of visible minorities are Catholic. It is evident from these figures that religious segregation also results in de facto racial segregation.

In November 1999, the UN Human Rights Committee found Canada in violation of the equality provisions in the International Covenant on Civil and Political Rights by virtue of the discrimination in the Ontario school system. The committee censured Canada again in November 2005 for failing to “adopt steps in order to eliminate discrimination on the basis of religion in the funding of schools in Ontario.” Canada is now defending Ontario against a charge of religious discrimination in employment in the Ontario school system in another complaint to the committee. That complaint could very well result in the third censure.

The discrimination in the Ontario school system cannot be addressed affordably by extending comparable funding to non-Catholic religious groups. Additionally, such extending would only compound the duplication penalty borne by the Ontario taxpayer, further fragment our school system and do nothing to address the discrimination in publicly funded school choice affecting millions of Ontarians.

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

Mr. Jones: Okay. Instead, we believe that only one English-language and one French-language system should enjoy full public funding in Ontario today.

In closing, ask yourself this: If you were required to set up a school system today from scratch, would you set up two parallel systems serving overlapping jurisdictions while competing for market share? Would your system discriminate in favour of a single, non-disadvantaged faith group while denying equal consideration to all others? I suspect—I hope—not. In which case, is there any justifiable reason for you to continue funding a financially burdensome system and perpetuating an historical injustice?

We urge you to act. Act to end the discrimination that favours a single non-disadvantaged minority with opportunities available to no others. Act to stop the segregation of our children along religious lines and bring them together in a school system that promotes mutual respect and understanding between Ontarians of different backgrounds. Act to end the waste that threatens the viability or even existence of programs and facilities of great value to the communities they serve. Ontarians should not have to wait any longer for fairness and fiscal responsibility in our school system. Thank you.

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

Mr. Arthurs: Gentlemen, thank you for your presentation. If I recall, I think I recognize Leonard from last year in Cornwall, if I’m not mistaken.

Mr. Leonard Baak: Yes.

Mr. Arthurs: My recollection was—at that time, I think you said that was the first time you presented before a committee as an organization, or am I wrong?

Mr. Baak: Last year, that was correct: It was the first time I had presented to a committee.

Mr. Arthurs: And you were kind of on your own at that point in the organization, weren’t you?

Mr. Baak: Yes. I was supposed to have someone with me, but he couldn’t make it that day. We’ve expanded significantly since then.

Mr. Arthurs: It would appear so. You have at least doubled in size, and maybe well beyond that. Assume I respect the position that you’re taking—I don’t have to necessarily agree, but certainly respect it. That’s a good thing to get the matter on the record for Hansard and for the committee and the like.

I’m interested in your comments on transportation, the efforts being made to ensure that the transportation systems are as efficient as possible. I was also interested in your comments on procurement as another strategy, simply from the standpoint of efficiencies. What opportunities do you see there? Apart from the entire school system, what opportunities do you see on the procurement front if we use transportation as something of a model to work from?

Mr. Baak: Last year in my presentation I quoted an education and improvement commission report. I think it was done in the year 2000. They investigated co-operation between school boards in Ontario. They found that co-operation was sorely wanting. There were lots of opportunities that weren’t being taken. One of them was purchasing consortia. There were some boards that were engaged in purchasing consortia, but they thought a lot more boards could be. Our position, of course, is that the best way to realize that sort of additional purchasing power in economies of scale is to have one system, to have boards in non-overlapping geographic areas doing that.

Mr. Arthurs: I know that more recently, the hospital systems are becoming far more aggressive in doing joint procurement, procurement consortiums and the like, more so than they have in the past. Maybe the schools and certainly the systems can learn some lessons from those activities as well. Thank you for your presentation and the opportunity to put it on the record.

The Chair: And thank you.

1330

ONTARIO ASSOCIATION OF RESIDENCES TREATING YOUTH

The Chair: Now I call on the Ontario Association of Residences Treating Youth. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning following that. I’d ask you to identify yourselves for our recording Hansard.

Mr. Richard Solomon: Richard Solomon.

Ms. Andrea Rifkin: Andrea Rifkin.

Mr. Gord Moore: Gord Moore.

The Chair: You can begin.

Mr. Solomon: Thank you. Good afternoon. As I said, my name is Richard Solomon. I’m the executive director of the Ontario Association of Residences Treating Youth, also known as OARTY. With me today are two of our

members: Gord Moore, who is the elected president of our association and who operates Holloway House, and Andrea Rifkin, who is a former president and who operates A Circle of Support.

Our member agencies provide treatment, foster care and group home care for almost 4,000 children, youth and young adults on an annual basis in over 200 group homes and 38 foster care networks. We serve over 25% of the children who are in group or foster home care in Ontario. Our 85 member agencies employ over 3,000 staff.

Before I go further, I'd like to ask Andrea and Gord to say a few words about the agencies that they represent.

Ms. Rifkin: Andrea Rifkin. I operate four group homes and one day program in the Toronto area. I serve kids with autism and have done so for 21 years. I don't think I have to tell you that it's quite a high-needs, vulnerable group of kids who come into care. There is a mandate to serve children, and they often end up growing up in our care, so I now by default, not by design, serve adults as well.

Mr. Moore: My name is Gord Moore. I operate a residential program just north of Belleville. We've been in existence since 1984, and some of the children we began serving have grown up and lived with us for a very long time. My wife and I live within the program with our three natural kids and we care for nine children and now seven adults who have severely medically fragile conditions and require 24-hour care. We have some very good full- and part-time staff who assist us in looking after the kids because of their medical needs. I'm proud to be here today.

Mr. Solomon: In addition to us here at the table, there are a number of agencies of our association in the audience who have homes in this region and around the province. They are Arden Court Children's Residence, Bairns Wee Croft, Bayfield Homes, Broken Arrow Residential Treatment Services, Croft on the Trent, Enterphase Child and Family Services, Quinte Children's Homes, Susie's Place, Youth Connections, Robichaud Youth Services and Storey Homes.

If there's one message we'd like to leave with you today, it is that there is a critical need for the government to invest money in the salaries and the training of our staff. We need this committee to recommend that our agencies receive funding for this purpose.

Most of the children we serve are under the protection of children's aid societies. Others are supported through government programs for children with special needs. Our services are funded through a ministry-set per diem rate and paid for by the government through the funding it provides to the CASs and other children's service agencies that use us to care for these children.

We work with many of the children whom the internal CAS homes or the Children's Mental Health Ontario agencies do not have the expertise to support: 48% are classified as developmentally handicapped, with many of these having multiple challenges; 56% of them have been physically or sexually abused; 63% are crown wards; and 16% are CAS wards.

The per diem sector, as we are known, has been providing services for over 40 years. In some cases, group home resources originally operated by CASs were outsourced because it was more cost-effective. We provided the capital to open and maintain the homes and have taken on the risk to keep them running.

It's important to note that our agencies receive payment only when their beds are occupied, which is not the case with the government's direct transfer payment agencies, and we have no guarantees our services will be used but we must be ready to accept children, if needed.

Last year we spoke with you about how the system is structured and how the differences in the way the system is funded lead to inequities for children and that there were more cost-effective ways of delivering services. We also asked for your assistance in supporting a 3% increase in the per diem rates that allow us to provide the care that we do. Unfortunately, our requests did not translate into any assistance and the situation has only gotten worse since then.

In our pre-budget submission, which you have, you'll read a short story about a child named Daniel who was a client at one of our member agencies. The success of children like Daniel is attributed to the dedication and the commitment of our staff. These people are caring professionals. Their education ranges from college diplomas in child and youth work to university and graduate degrees in all areas related to social work and child development.

We're here today because in order to keep serving children like Daniel, our staff needs your support. They need ongoing training and they need wages which are fair. The present situation is one in which our staff are leaving for better-paying jobs, which are also funded by the government. Yet our agencies are still expected to maintain the proper human resources to deliver high-quality treatment to the children who need it. Ultimately, it's the child who suffers as a result of this high staff turnover.

Our staff wages range on average between \$13 and \$16 per hour. In the children's aid societies and other government-funded agencies it's between \$26 and \$34 per hour. We have to ask you, is this actually fair? All types of agencies that serve children are licensed and regulated in the same way by the government, but the government chooses to fund them differently. We believe that children in care should have access to similar levels of support and treatment, regardless of who provides the services. And we have proven to be the more cost-effective model, with the highest usage of the resources available. Our rates are based on a line-by-line accounting of the true costs: pay for foster parents and staff, clinical treatment, clothing, food, transportation, rent and capital investments, and often a separate daily educational school program.

At one time, our rates were increased along with the other agencies. Cost-of-living and staff salary increases were adjusted as a percentage increase to our per diems. But that mechanism for keeping up ended at the end of the 1980s. Since then, we had a cut of 11% during the

social contract days and a 7% cut during the Common Sense Revolution. The last time our per diems were adjusted to allow for staff salaries to increase and to assist with training costs was in April 2001. At that time, we were given a 2.5% increase, divided over two years. Transfer payment agencies were also given the same increase. However, since then the Ontario government has been funding salary increases to health care workers, education workers and other social service workers of between 12% and 17%. Inflation has increased by over 11%. At the same time, Ontario government revenues have increased by over 25%.

Since 2003, the government has also been investing in parts of the children's services sector, but not ours. This has included:

(1) A 3% increase to the base budgets of transfer payment agencies in 2004, additional programming increases of \$25 million in that year and \$38 million in 2005 and 2006.

(2) A 3% increase in 2005 to each children's aid society for group homes and outside paid foster care, based on their previous year's budget. This was pointed out by the Auditor General in his report this year. However, this increase was not passed on to support the staffing or training needs of the agencies that provide services to these societies.

(3) An increase this past year to the MCYS overall budget for child protection services of over \$95 million, or 8%. None of this was given to our agencies to support our staff or training needs.

1340

Despite all this good investment, nothing has been provided to our agencies for staff salaries and training.

If these children are to receive the best possible care, we need to close this increasing gap. Our agencies require an investment of about \$22 million, which will help level the field among children's services providers and ensure we can hire, train and retain our staff. This investment is actually equal to 12% and is consistent with the staffing investments that have taken place in Ontario in the education, health and social assistance sectors over the past five years.

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

Mr. Solomon: Thank you.

As a minimal stop-gap we need an investment of \$7 million. We're asking that the same consideration be given to our staff as is being given to others, including MPPs. In mid-December, Minister Dombrowsky, who is one of our local MPPs, was quoted in the Belleville Intelligencer on the subject of the pay increases for MPPs. Her view resonates very loudly with us in the field of children's residential care.

The gap keeps getting wider and if these children are going to get the best care possible, we need to start closing it. For many years, we've provided practical ideas for where savings can be found in the system, and we would be pleased to discuss these with you further.

For our children to achieve the best outcomes, our agencies need to be able to pay and train the staff and we need the funding so that can happen.

We would be pleased to answer any questions you may have.

The Chair: Thank you for the submission. The official opposition has this round.

Mr. Hudak: Thanks very much for the presentation. It's good to see you again. The official opposition actually brought forward a motion last year in committee to expand the use of fee for service based on recommendations of OARTY. Unfortunately, it didn't pass at committee, but we'll try again this year. I appreciate your suggestion to do so.

So about 4,000 children, youth and young adults through the OARTY homes out of a total population of about 15,300; you have just over one quarter of the children and youth. So there would be substantial savings, then, if there was a movement toward a per diem basis. Would there be a concern about the quality of care? Are you confident that the OARTY homes are just as good, if not better, than CASs etc.?

Mr. Moore: That is a fact that should be well-known by now, that having to follow the same standards, regulations and legislation and being licensed not only by the same government but the same branch and the same individuals within those branches as the transfer payment agencies, the quality of care really is no different between our homes and the transfer payment homes. In fact, our homes enjoy the secondary oversight of the transfer payment agencies being guardians, whereas when they deliver services internally and purchase their own services, they are not only acting as service deliverer but watchdog for themselves as well.

Mr. Hudak: That was a conflict the Auditor General brought some attention to in his most recent report—the lack of any kind of oversight mechanism for CASs—and he pointed out a number of spending abuses that had taken place. Any comment on a better oversight mechanism in the sector as a whole?

Mr. Moore: I guess the first thing that leaps to my mind is the issue of Ontario Hydro a number of years back, when the divestiture of service delivery and service oversight happened in that agency. I would think that in a healthy service system, that sort of divestiture should be expected.

Mr. Hudak: You mentioned that there were increases given to the transfer payment agencies but fee for service was not given any direct increase in funding. What's with the prejudice? Why are you not being treated the same way as somebody delivering the same service?

Ms. Rifkin: I'll answer that. I think we've been left off the list because one of the ministers back in 2003—and it's continued to be that way prior to her and beyond her—spoke to an arm's-length funding relationship between the per diem sector and government. I find it interesting. We are still looking after the government's children and I think, to our credit, we have been accountable, transparent, and have done some good work. When

it works for government to have us on the list is when there are cutbacks imposed, and when it doesn't work out so well is when an increase is to occur.

Ms. Lisa MacLeod (Nepean–Carleton): Thank you all for presenting today. It's nice to see you all again.

I just have a quick question. You obviously deal with many of our children who are high-risk and high-need, and I understand that you deal a lot with autistic children. Could you talk to me a little bit about the training that goes into dealing with some of these children and your needs based on that?

Ms. Rifkin: We have become, in a sense, a training ground. I think people who come into residential care out of college or university utilize the residential treatment care system—and I would speak specifically maybe to ours, with the autistic kids—as a training ground to go into more government-funded agencies where they can earn that higher wage we spoke about. I never mind doing that if I'm serving the autism community in general, and they get some really good hands-on training. It has to be very specific to the agency that deals with kids with autism. We use a best-practices treatment approach. We don't have a philosophical bias. We just keep with the trends and utilize those trends.

The Chair: Thank you for your presentation.

ASSOCIATION OF ONTARIO MIDWIVES

The Chair: Now I call on the Association of Ontario Midwives to come forward, please. You have 10 minutes for your presentation, and there could be up to five minutes of questioning. Please identify yourself for the purposes of our recording Hansard.

Ms. Juana Berinstein: I'd like to thank the committee for giving us an opportunity to speak with you today. My name is Juana Berinstein. I'm the director of policy at the Association of Ontario Midwives, also known as the AOM.

The AOM is the professional body representing midwives and the practice of midwifery in the province of Ontario. There are approximately 366 registered midwives in Ontario today working in 60 practice groups. They provide care in 14 local health integration networks, or LHINs, with hospital privileges in 65 hospitals. Midwifery care in Ontario is fully funded by the Ministry of Health and Long-Term Care.

Midwives are registered health care professionals who provide care to women with low-risk pregnancies from the time of conception until six weeks after birth. Midwives work in community-based practices with a team of other midwives, providing care on a 24-hour, seven-day-a-week model.

Midwives are trained health care professionals. They qualify for registration either by graduating from the Ontario midwifery education program, which is a bachelor of health science in midwifery four-year university degree program, or by successfully completing the international midwifery pre-registration program. The mid-

wifery education program is offered at Ryerson, McMaster and Laurentian universities.

Many women find the comfort of having a midwife with them throughout their whole pregnancy and six weeks postpartum invaluable. A midwife will visit a woman and her newborn at home or in hospital within 24 hours of the baby's birth and come for an additional three or more visits within the first two weeks postpartum to support and assist a woman with infant feeding and newborn care and to monitor her health and her baby's health. With a midwife, pregnant women and their families make decisions that are based on informed choice and can choose either home or hospital as the place of birth.

Midwives have a well-established model of care that benefits both the consumer and the broader public.

Evaluations by the Ministry of Health and Long-Term Care of midwifery in Ontario have demonstrated that midwives provide safe care with excellent outcomes.

The ministry's evaluation found that each midwife-attended birth saves the health system \$800 if in hospital and \$1,800 if at home. Savings are the result of: C-section rates for midwifery clients that are 30% lower than for family doctors; episiotomy rates that are less than half; readmission rates to hospital that are 65% lower than other providers; and shorter hospital stays, including over double the rate of early discharge of low-risk patients. Further, outcomes such as an 80% vaginal delivery rate and a 91.5% breastfeeding rate at six weeks postpartum contribute to a very high satisfaction rate from midwifery consumers.

1350

What I'm really here to talk to you about today is the maternity care crisis that we're facing in Ontario. The number of births in this province is increasing, while the number of care providers is not keeping pace. More than 130,000 women give birth every year in Ontario, and this number will rise over the next 10 years. By 2024, the number of Ontario births is projected to reach 157,000 per year. Both AOM and the Ontario Medical Association agree that if the shortage of providers is not addressed, at least 10,000 women in Ontario will not have a health care provider of any kind by the year 2012. That's only five years away. Immediate action is required to avoid a crisis.

Numerous issues have created the looming crisis in maternity care, including obstetrician retirements and an ongoing decline in the number of family physicians providing intrapartum care. I've included in the handout a chart that compares the number of primary care providers attending births in Ontario, which looks at a comparison between family physicians, obstetricians and registered midwives from 1984 until today. Further, scarce funding has not enabled the midwifery education program to sufficiently increase the number of midwives they are able to graduate to meet the need for maternity care providers in Ontario.

Midwives are the only health care professionals whose exclusive concern is the provision of maternity care and

who must attend births as part of their practice. A shortage of maternity care providers has serious implications for health and safety. The Society of Obstetricians and Gynaecologists of Canada warns that "Canadian women and their unborn babies will be at increased risk should a shortage of primary maternity care not be addressed swiftly." Indeed, some of the symptoms of the maternity care crisis are already visible. Some women in Ontario are already facing increasing difficulty in accessing needed maternity care. More and more women are unable to access early prenatal care, resulting in preventable complications in late pregnancy and birth that are "almost unheard of in systems with adequate prenatal care." Further, an increase in premature births may be linked to women having difficulty accessing prenatal care.

Midwives have watched with dismay as the number of hospitals providing maternity care has dwindled, particularly in remote and rural areas. Women are at enormous risk when maternity services are only available at a distance and they're required to travel longer and for unsafe distances to obtain care. Causes of these access problems include too few maternity care providers and the lack of a provincial strategy to ensure that the care women need is available close to home.

How do we solve this maternity care crisis? A significant consensus on solutions to these problems has emerged. Recent reports like the Ontario Maternity Care Expert Panel, the Multidisciplinary Collaborative Primary Maternity Care Project, the Integrated Maternity Care for Rural and Remote Communities, and Babies Can't Wait: Primary Care Obstetrics in Crisis are notably in agreement on actions that must be taken to address the growing crisis in maternity care in Ontario. One of the key areas of agreement is the need to ensure Ontario has more maternity care providers of all types, including more midwives. While the Ontario government has begun efforts to address the overall shortage in health human resources, a particular focus on maternity care is urgently needed. Indeed, Ontario needs a provincial maternity care strategy.

The Ontario government is moving to transform health care in Ontario. These efforts include promoting primary health care and ensuring that Ontarians get the care they need, when they need it, by the appropriate health care professional and as close to home as possible. This government effort has yet to be extended to maternity care, even though maternity care issues are the most frequent reason for hospital admission in Ontario. Ontarians deserve a provincial strategy that includes maternity care within the framework of effective primary care and a strategy that addresses the shortage of providers.

Women should have access to the maternity care provider of their choice. Not only is this best for the health and well-being of mothers and babies, it is also critical to managing health care expenditures. Last year, midwifery practices had to turn away approximately 40% of women seeking midwifery care, with some practices turning away double their capacity, indicating a clear

need for urgent action to increase the number of registered midwives in the province. In fact, midwives are already providing the kind of care that the Ontario government is seeking to achieve through their transformation agenda: an accountable, cost-effective and client-centred approach that moves care from the hospital to the community and emphasizes health promotion.

The Ontario government must take urgent action to address the emerging maternity care crisis in Ontario. As a critical part of this solution, midwives have the willingness and the capacity to continue to increase their role in providing critically needed maternity care to the women of Ontario. Midwifery can play a central role in solving the maternity care crisis if the number of midwives in the province is increased. This requires an expansion of the midwifery education program.

At the request of the Ministry of Training, Colleges and Universities and the Ministry of Health and Long-Term Care, the midwifery education program submitted a proposal in November 2004 to increase midwifery enrolment. This proposal included a plan to double admission numbers from 60 to 120 students per year within five years. The expansion objectives require an increase of \$1.5 million to \$3 million to the operating budget per year over five years. A modest investment in midwifery care now will mean overall savings for the health care system down the road.

The time to act is now. No increase in midwifery graduates will be seen until four years after expansion begins to take place. Offers of admission are made by the midwifery education program in April and May 2007. Funding for the expansion proposal now would enable more midwifery students to begin training this September, 2007.

The time is right to move on this initiative. With support from the Ontario government, midwives are ready to increase their role in providing maternity care to Ontario women, care that is urgently needed. Thank you.

The Chair: Thank you. The questioning goes to Mr. Prue of the NDP.

Mr. Prue: Thank you very much. Just a couple of statistics which I found fascinating, if you can explain them to me: on the C-section rates for midwifery clients that are 30% lower than for family doctors, what is the rationale, other than perhaps, I guess, that the doctor takes the easy way out if there's any kind of complication? Am I being naive? That's what I see.

Ms. Berinstein: I think the difference is in the training, in that midwives are trained to deliver low-risk normal births and to do that through supporting a woman and her partner or her family through that labour process. What midwives are able to bring to a birth situation is to help a woman go through labour and birth with a minimal amount of intervention. So when you compare the kind of intervention that someone would receive from a physician versus a midwife, what you see is that that intervention is much less in a midwifery situation.

What that means from a health system perspective is that it's cheaper for midwifery care. What we hear from

midwifery consumers, including myself—I'm a midwifery consumer—is that the kind of care we receive is woman-centred, it's safe and it's quite phenomenal care that really places the woman at the centre and helps her go through her pregnancy with as little intervention as possible.

Mr. Prue: Here's one I don't understand, and I bet you there are other people who don't know this word either: "Episiotomy rates are less than half."

Mrs. Carol Mitchell (Huron-Bruce): We know what it means.

Mr. Prue: You do? I have no idea what that is.

Ms. Berinstein: Only too well.

Mr. Prue: Women know this; men don't. Do any men know what this is?

Ms. Berinstein: We can talk later.

Mr. Prue: All right. Now I'm blushing.

Mrs. Mitchell: You should be.

Mr. Prue: I don't know. I'm supposed to find out things here.

Readmission rates to hospitals are 65% lower than other providers: Is there a reason for this?

Ms. Berinstein: I think one of the really outstanding pieces of the model of care that midwives offer is that they really follow a pregnancy from the beginning. They're able to build a relationship with the woman. Most midwives are with a woman during the entire process of labour and during the birth, and then they provide home visits. So midwives have a very close relationship with the woman and are able to provide such detailed, client-centred care that often what they're able to do, in other situations where women don't have that kind of support—those women who aren't with a midwife, for example, may go to the hospital with a concern that a midwife would be able to answer. So what they're basically able to do is to, in a way, act as gatekeepers. They're able to provide that primary care in a woman's home and in their own practice clinics and they're able to divert those women away from the hospital who don't need to be in the hospital.

1400

Mr. Prue: The rates of women having babies: Every study I've ever seen says that the number of births per woman is going down in Ontario, in Canada. It's fairly low. I did see in the paper yesterday that the number of births has climbed in Quebec for the first time in 20, 30 years, but you have them expanding in Ontario. Is that because of increasing immigration, more people coming to Ontario, or is it because women are having more babies? I would think it's probably the former rather than the latter.

Ms. Berinstein: It's linked to immigration in some of the statistics that we're using, and what we've seen is that immigrant families in some cases are having more babies than Canadian-born women, so we see an increase there. As we get an increase in immigrant communities, the projection is that we'll also see an increase in the number of children born into a family.

The Chair: Thank you for your presentation.

CHICKEN FARMERS OF ONTARIO

The Chair: Would the Chicken Farmers of Ontario come forward? Good afternoon.

Mr. Bill Woods: Good afternoon.

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

Mr. Woods: Bill Woods. Thank you, Mr. Chairman, members of the standing committee and members of the community. My name is Bill Woods. I am here today as vice-chair of Chicken Farmers of Ontario.

Let me begin by thanking you, members of the finance committee, for giving us, Chicken Farmers of Ontario, the opportunity to provide our input as you consult with Ontarians throughout the province.

I am delighted to be here today to represent Ontario's 1,100 chicken farmers. Our industry, valued at over half a billion dollars at the farm gate, is a strong contributor to Ontario's rural economy and is also directly responsible for over 5,000 jobs and for thousands of additional spin-off jobs.

In Ontario, chicken, along with dairy, eggs and turkey, is produced under a marketing system known as supply management, which is also known as orderly marketing, a system that ensures an efficient and secure food supply that respects Canada's high standards for sanitation and health while benefiting both consumers and producers. This system is crucial to ensuring that Ontario's chicken farmers continue to contribute to the Ontario economy in a stable manner, and without government subsidy.

Mr. Chairman, like so many of the other presentations you and your committee members have had in your pre-budget consultations, Chicken Farmers of Ontario is also here to ask you for your support. But unlike these many other presentations, ours is not a request for new funding, new programs or subsidies. It is instead a request for your ongoing support for an important segment of our provincial economy. We're here today because we want to leave you with an important message about the future of Ontario's chicken industry and its contributions to Ontario's economy and the 2007 budget.

Worth more than \$7 billion of Canada's \$36 billion in agricultural revenue, supply-managed agriculture is a major contributor to our economy, employing 215,000 Canadians, totalling over 20% of Canada's agricultural sector. In Ontario the supply-managed sectors generate \$2.2 billion in farm cash receipts, or 28% of the province's total.

Most of Canada's food production is actually produced and consumed domestically. Three quarters of what our farmers produce, whether within the supply management system or not, is sold within Canada's borders, and 97% of the output of the five supply-managed sectors is sold domestically.

But these economic benefits could be at risk. Chicken Farmers of Ontario is keenly interested in current World Trade Organization, WTO, negotiations on agricultural

trade known as the Doha round as these negotiations have a significant impact on Canada's system of supply management. While the Doha round of negotiations had been on hold since July 2006, this past weekend, trade and agriculture ministers from 30 countries, including Canada, met in Davos, Switzerland, at the World Economic Forum to discuss getting these negotiations back on track.

This meeting did in fact result in a tentative agreement to move the Doha round forward, a move that we welcome. Chicken Farmers of Ontario agrees that these WTO negotiations are important to Canadians as Canada relies heavily on trade for its economic prosperity. Further, expanding access to world markets for both our goods and our services is at the core of the negotiations.

But we are concerned that these talks may inaccurately characterize Canadian supply management as being protectionist, which it is not. The dairy, poultry and egg industries have worked closely with governments throughout the agricultural trade negotiations. We need the continued support of our government, and indeed all of our parliamentarians, as the negotiations move forward.

Chicken Farmers of Ontario is asking for WTO rules that will create fairness among countries, will increase trade globally and will allow current over-quota tariff levels to be maintained. We need domestic support rules that are flexible enough to allow Canada to deal with unexpected challenges to Canadian agriculture and that recognize supply management as non-trade-distorting.

Canada already offers more access for dairy, poultry and egg products than many countries. On top of this, these products can be imported without limits when dairy, poultry or eggs are used as an ingredient in the finished product. What we are asking for is equity in worldwide access. For example, if all countries provided 5% access to their markets, overall trade could increase by approximately 78% for cheese, 114% for pork and 115% for poultry.

While one of the stated goals of WTO is to assist developing countries, many of these countries are trying to develop their agricultural industries but under current rules do not have the ability to maintain predictable imports. As a result, producers in these countries are subject to dumping. Surplus, subsidized products are dumped into their markets at a price lower than what is sustainable for them to make a fair living.

Instead of working to ensure real and equitable access, the current WTO approach favours countries with very deep pockets that provide very rich subsidies to their farmers. With supply management, we rely on the marketplace for our income. We want to ensure that we are not forced to increase market access so these subsidized products can be dumped on our market.

Only with your continued support can we ensure Ontario's chicken industry remains a stable source of farm income without the need for taxpayer-funded subsidies. We have enjoyed the support of all three political parties at Queen's Park for supply management. Please know

that for this we are very grateful. But as the Doha round of discussions appears to be resuming, we ask for your continued support to pursue an approach that offers a stable farm income, allows rural communities to flourish and pumps billions into the economy.

You won't find us in the 2007 budget. As chicken farmers, we are, in finance lingo, off-book. We don't cost the government of Ontario. We contribute through taxes and food production to Ontario's high quality of life.

In conclusion, our message today is simple: Ontario's chicken producers want to continue to produce fresh home-grown Ontario chicken and to provide all the economic benefits that go along with this. To do so, we need your support to defend the supply management system at both the provincial and national tables. As chicken farmers, we count on and we value your continued support. Thank you.

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

Mrs. Mitchell: Thank you very much for coming out today. I do want to say that the McGuinty government has been committed to supply management. You have seen motions come forward on the floor of the Legislature that have been supported by all parties.

What I want to specifically talk about today, one of the things that we hear repeatedly as a government, is food security, safe food. I want to give you the opportunity—I know how important the trade talks are, and that we maintain our position on supply management, but why is it so important for the Ontario consumer that supply management remain intact?

Mr. Woods: Our goal as chicken farmers is to provide a safe, nutritious, healthy product for consumers. The system that we have in place lends itself to developing systems and protocols that ensure that that happens.

Mrs. Mitchell: But when we look at comparative pricing—I know that there's been a lot of discussion about if supply management wasn't in place the prices would drop, but in fact the exact opposite happens. We also have to be concerned about the quality. I know, because I'm the member from Huron-Bruce, how much work goes into maintaining the quality. I just wanted you to expand on what you do for biosecurity and that type of thing so that there's a better level of understanding of all the good work that goes into making sure that the chicken is safe.

1410

Mr. Woods: Thank you, Carol. We've instituted an on-farm food safety program, not only in Ontario but right across the country with all chicken farmers. This includes a series of protocols and standards like good biosecurity, as you've mentioned, to make sure that no disease goes into the barn or comes out of the barn; simple things, like having a transition from the outside to the inside of the barn where you change your clothes going in and change boots coming out. Because we have the system we have, it lends itself to being able to put in place a process like that.

Mrs. Mitchell: Do I have time for another question, Chair?

The Chair: Two minutes.

Mrs. Mitchell: Bill, we had a presentation from the veterinarians' association and one of the things that they talked about was avian influenza. I know that you have done a lot of work on protecting Ontarians. Would you like to speak to that for just a minute?

Mr. Woods: Thank you, yes. I guess the easiest answer is to say that avian influenza is a bird disease and it is now part of normal operating procedure in Ontario and in Canada. We've tried to take it from the crisis level that it has been. We've upped our biosecurity and our operating procedures to be even more secure on the farm. We've set in place protocols so that if a contagious disease like AI or any other poultry disease does appear, we have a method of dealing with it and containing it on the first site.

Mrs. Mitchell: Just to add further on the work that has been done, when we see what happened in the west and the devastation that it can cause, we really want to thank you for all the good work that you have done, because it really is important. Certainly it has been addressed through public health agencies, as well as through the budget talks, so thank you for that. That's also part of the supply-management mix, the quality and the assurance that health and safety are met, and the quality of the food and the price for the consumer as well.

Mr. Woods: Thank you.

The Chair: Thank you for the presentation.

BIG BROTHERS BIG SISTERS OF CANADA

The Chair: Big Brothers Big Sisters of Canada, would you come forward, please.

Mr. Puneet Luthra: Good afternoon.

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

Mr. Luthra: Sure. My name is Puneet Luthra. I'm the manager of government relations for Big Brothers Big Sisters of Canada.

I should let you know that although I'll be reading from some text that I prepared, it is different from the submission that you have in front of you.

Thank you for having me here today in Belleville. As much as I wanted to go to Kenora, I'm happy to be here in Belleville. My name is Puneet Luthra. I'm the manager of government relations for Ontario with Big Brothers Big Sisters of Canada. First let me tell you a bit about our organization and what we do.

Big Brothers Big Sisters of Canada is the nation's leading mentoring organization. We believe that every child in Canada who needs a mentor, has a mentor. Simply put, we are the experts when it comes to mentoring. Our agencies match children in need of a mentor with positive adult role models who provide positive life experiences.

Nationally, we serve over 23,000 children in over 1,000 communities through over 150 local agencies. In

2005 in Ontario alone, we served approximately 12,000 children through 70 agencies. This represents a 16.3% increase in the number of children we've served over the previous year, 2004.

In addition to our traditional Big Brother and Big Sister matching programs, and in response to the different needs and demands of children, we've created new programs to fit our changing society. Couples for Kids, cross-gender matching, Internet mentoring, in-school mentoring, BIG/bunch and Kids 'n' Kops group programs, and the new life skills program all provide a variety of opportunities for volunteering and support to children and youth.

Regardless of their name, all of our programs are about prevention and building resilience. They are also about supporting the family unit, as many of our children come from single-parent homes. The research indicates that by providing children and youth with positive adult role models, mentoring programs demonstrate to them that they are valued and that they possess the strength to overcome the obstacles they will undoubtedly face as they grow older. Mentoring also plays an important role in the future direction a child will decide to take later on in life, paving the way to a future full of possibilities. Not only is mentoring cost-effective, it produces amazing results. A recent study highlights the power of mentoring:

—Little brothers and little sisters were 46% less likely than their peers to initiate drug use.

—For every 100 youth who start to use drugs, only 54 similar youth who have a big brother or big sister will start using drugs.

—Little brothers and little sisters were 27% less likely than their peers to initiate alcohol use.

—Little brothers and little sisters were almost one third less likely than their peers to hit someone.

—Little brothers and little sisters skipped half as many days of school as did their peers, felt more confident about doing schoolwork and skipped fewer classes, and showed modest gains in their grade point averages.

—The quality of relationships with parents was better for little brothers and little sisters than for their peers, due primarily to a higher level of trust in the parent.

—There were also improvements in little brothers' and little sisters' relationships with their peers relative to their counterparts.

Mentoring works, and these results show that.

In-school mentoring, which is our fastest-growing program in Ontario, also produces amazing results: 90% of mentors see a positive change in the child they mentor; 88% of students show improved literacy skills, something we know the government of Ontario takes very seriously; 64% develop higher levels of self-esteem, which can be used, as one example, in the Ministry of Education and the current character development initiative. We believe that mentoring can be transferred over to many ministries within the government of Ontario.

Children who have been in our program see real, positive change. Our littles go on to graduate from high school at a rate of 20% higher than the national average;

78% of litlees who come from a social assistance background no longer rely on this form of income; and a disproportionately high number of former litlees graduate from college or university compared to others in their age group.

The results of mentoring, as you can see, speak for themselves, and that is why Big Brothers Big Sisters believes that mentoring strategies must be incorporated into the business plans and mandates of the ministries of the government of Ontario that directly or indirectly serve children and youth. Our mentoring strategies are arguably the most affordable way of positively affecting a child's life. For example, the average daily cost of inmate incarceration in Ontario is \$160 per day, or \$58,000 per year. That's for one inmate per year. The cost of illiteracy to Canadian society has been estimated at \$10 billion per year and the cost to business at \$4 billion. Mentoring strategies have shown a positive impact on both troubled youth and academically challenged children. Mentoring, again, works, and it is cost-effective.

The argument for mentoring to be incorporated into ministerial mandates is also based on the demographic shift that is taking place in Ontario. Of the 10 census metropolitan areas in Canada that will see an increase in population by the year 2051, six of these are in Ontario, and this is assuming a low rate of population increase. The need, then, for social services will increase, as well as the need for social services programs for newcomers to Ontario. Mentoring strategies such as Big Brothers Big Sisters newcomer mentoring programs must have a place in assisting the children of new immigrants adjust to life in Ontario. Not only is the look of Ontario changing but so is the age of its population. An aging population means a shrinking labour force, which in turn means that the need to maximize the potential of each child will be necessary to increase productivity. Again, mentoring strategies can be used to reach this objective by giving children those opportunities that allow them to reach their potential.

Now that I've explained some of the reasons why mentoring strategies should be incorporated into ministerial business and strategic plans, I'll explain how they can be funded.

1420

We believe that the government must recognize the challenges faced by organizations such as ours with respect to funding. You should also know that the results we have achieved have been without any funding from the government of Ontario. The two main sources of funding for our agencies in Ontario are the United Way and special events. Our agencies in Ontario do not receive any provincial funding other than through grants by the Ontario Trillium Foundation and only a few other ministries.

I personally believe that the reason we do not receive any funding from the government of Ontario is not because it does not endeavour to protect children but because it has never been exposed to the amazing results that can be achieved through mentoring.

Our funding situation is in sharp contrast to the situation in Alberta, where the ministry of children's services provides funding to mentoring organizations such as Big Brothers Big Sisters. In fact, because the government of Alberta has recognized the positive role that mentoring plays in the lives of children, mentoring has been incorporated into the mandate of several provincial ministries there.

We also believe that funding should be annualized and not limited to one-time grants or single-year funding. This type of funding is short-term and does little to advance the achievement of longer-term goals. Annualized funding will allow for a true investment in sustainable prevention and resilience programs for children and their families.

We also believe that there should be no resistance to allowing funding to go to operational expenses. It is often the lack of qualified caseworkers and other staff that limits the number of children who can be served.

I'd just like to pinpoint a few areas where Big Brothers Big Sisters of Canada can assist the government of Ontario and its ministries in reaching their specific strategic objectives. For example, the Ministry of Education can reap the benefits of higher levels of literacy through programs such as in-school mentoring. The Ministry of Health Promotion can be assisted in the development of active and healthy lifestyles for children and youth through programs such as Mentors in Motion and Go Girls! Healthy Bodies Healthy Minds. The Ministry of Citizenship can advance the services it offers to newcomers and their children through our newcomer mentoring programs. Those are just a few examples of how we can help the government of Ontario and its ministries.

Big Brothers Big Sisters endeavours to protect and promote children's social, economic and academic well-being through the use of effective, results-based mentoring programs. To advance this mission, we have created and continue to create programs that provide positive life experiences to children in need. Now, however, the time has come for the government to recognize the impact that mentoring has on our children and youth and to incorporate mentoring into the business plans of those ministries that directly or indirectly serve Ontario's children. Although Big Brothers Big Sisters creates its own mentoring programs, we are also very much open to partnering with the government of Ontario and other child-and-youth-serving organizations.

In closing, I'd like to leave you with this quote from a publication entitled *Growing Up Poor*: "The key difference between successful youth and unsuccessful youth from lower-income urban communities was mentoring. The successful ones had mentors, the unsuccessful ones did not."

The Chair: Thank you. This round goes to the official opposition.

Mr. Toby Barrett (Haldimand-Norfolk-Brant): I appreciate your presentation on behalf of Big Brothers Big Sisters. You indicate that agencies in Ontario do not

receive any funding, in contrast to Alberta, where the ministry of children's services provides funding. Any idea what level of funding they provide?

Mr. Luthra: Big Brothers Big Sisters in Alberta—the agencies there are considered to be recipients of payments directly from the government of Alberta. For example, Edmonton receives approximately \$300,000 a year, and that's just for one of their programs. I can provide those numbers to you at a later time, but they are receiving monies to essentially not only run the program but to serve more children there.

Mr. Barrett: Would this be kind of a one-off grant?

Mr. Luthra: No. It's actual annualized funding. The granting situation is what we face here in Ontario. In Alberta the funding is often for three to five years, and that's something that we're looking for the government of Ontario to do here.

Mr. Barrett: Mr. Hudak may have a quick question. Just quickly, I see the boldface. Mentoring has been incorporated into the mandate of several provincial ministries. So there are other ministries that have the concept of mentoring in their mandate, but they're not funding it. They just have it as a—

Mr. Luthra: They have it as part of their mandate. It's part of their strategic objectives as well, and therefore any programs that fall within that will be funded on an annualized basis.

Mr. Hudak: Thanks for the presentation. Congratulations on all the solid work that Big Brothers and Big Sisters continue to do across the province. I have some very strong ones and am quite proud of their work in the Niagara Peninsula.

I'm looking through your chart here, and you list a number of ministries and mention some programs. I'm not clear: Are these programs that you're currently doing or that you're suggesting? For example, under the Attorney General, you talk about how your mentoring program for children of incarcerated parents will begin in select cities.

Mr. Luthra: Yes, that has already begun. All of the programs in that document are already in place. The mentoring program for children of incarcerated parents is currently in the pilot project stage, but the research indicates that providing a mentor to a child of an incarcerated parent can lead them on the right path as opposed to the wrong one. But all of the programs in there are currently in place in different areas across Ontario.

Mr. Hudak: You also mentioned the newcomers mentoring program for children of new immigrants to Ontario, through citizenship and immigration. Basically, are these programs that are on a one-year basis through the ministries?

Mr. Luthra: They're not through any ministries right now, because we haven't been approached to—these are proposals on how we can assist, for example, the Ministry of Citizenship and Immigration, because they deal with newcomers to Ontario. One of our programs is a newcomer program, so it's a direct fit with the strategic objective of that ministry. What I've tried to indicate in

there is the link between mentoring strategies and the ministerial mandates, but to do that we need money.

Mr. Hudak: Just to clarify what you're asking for, you're looking to work with individual ministries and to have funding through those ministries, as opposed to some lump sum that would go to the Big Brothers Big Sisters office.

Mr. Luthra: Exactly. We don't need money to create new programs, because we don't know the results of new programs, and that's the funding that we receive, either through grants or through special events. Simply put, we just don't receive any money from the government of Ontario in any sort of funding capacity. It's always a one-time grant; it's never annualized over any number of years.

The Chair: Thank you for your presentation.

COUNTY OF LANARK

TOWNSHIP OF LANARK HIGHLANDS

The Chair: Now I'll ask the township of Lanark Highlands to please come forward. You have 10 minutes for your presentation; there may be up to five minutes of questioning following that. I'd ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Al Lunney: Good afternoon, Chair Hoy and finance and economic affairs standing committee. It gives our delegation great pleasure to be able to spend some time with you today to share our perspective on several important issues facing our municipalities. My name is Al Lunney. I'm the warden of Lanark county. With me today are: Bob Fletcher, the mayor of Lanark Highlands township; Peter Wagland, the chief administrative officer of the county of Lanark; and Tim Simpson, the chief administrative officer of the township of Lanark Highlands.

We're here today to make a joint submission, as the issues we will be discussing impact Lanark Highlands, Lanark county and indeed many of the municipalities across the province.

Lanark county is a large and diverse region located on the western boundary of Ottawa. Its economy is based on a mix of agricultural, industrial, retail and tourism sectors.

We should point out to you at the beginning that I'm going to be referring to these notes, which you all have, but not necessarily reading all of the text.

I suspect that some of you around the table today have political experience at the municipal level. You therefore know that municipalities are an accountable and responsible order of government. In short, we are all partners striving to provide the highest quality, most cost-effective services we can to our constituents. It is within this context that we offer our perspective as the province moves to its 2007-08 budget process.

We've identified some critical issues.

Number one is infrastructure funding. We fully support the direction the province has taken over the past

few years in recognition of the infrastructure deficit and the resultant—

The Chair: If you could move back from the microphone just a little bit, that would help. Thank you.

1430

Mr. Lunney: We fully support the direction the province has taken over the past few years in recognition of the deficit and the resultant funding initiatives that you have already made. However, these initiatives do not address the infrastructure needs of municipalities, especially rural municipalities.

Under COMRIF intakes, municipalities were awarded funds for the repair and rehabilitation of roads and bridges. However, Lanark village within Lanark Highlands is a community of about 800 people with a long-standing water contamination problem. A 2006 testing program revealed that almost 31% of the existing wells are contaminated with coliforms or coliforms and E. coli. According to provincial guidelines, any well testing positive for either of these contaminants is considered unsafe.

Our recommendation: Infrastructure funding must be focused on truly rural communities. Funding must be sustainable and long-term, and dedicated funding must be made for water and waste water projects in small communities. Funding formulas should recognize the fiscal capability of the applicant. Water and waste water projects are by nature expensive, well beyond the ability of most rural municipalities to afford.

Our second issue is the Ontario municipal partnership fund. As you're aware, OMPF was introduced in 2005 to replace the community reinvestment fund. It's a significant revenue source for both Lanark and Lanark Highlands. Unfortunately there are some flaws with the OMPF, especially for upper-tier municipalities.

Eastern Ontario families have income levels less than Ontario's. Lanark county, and Lanark Highlands in particular, has yet to achieve the 2001 provincial income averages. Therefore, with reduced funding through the OMPF and lower-than-average incomes compared with the province, the residents of Lanark county are faced with a higher-percentage contribution of their net income toward property taxes for comparable services or, conversely, must consider receiving a lower level of service.

Our recommendation: Population density should be factored into the formula. The grant makes no allowance for the geographic size of a municipality or population density, penalizing municipalities such as Lanark Highlands that are geographically large and sparsely populated. OMPF formulas should account for inflation. Grant amounts have remained static over the years. Funding should be long-term and sustainable. Funding commitments made by the province year to year create uncertainty.

Mr. Bob Fletcher: I'd like to move now to unpatented crown lands. The establishment of the community reinvestment fund, now replaced by OMPF, was intended to compensate municipalities who may have lost revenues as a result of the new taxation policies to achieve revenue balance after implementation of local

services realignment. However, unpatented or no-deed crown lands were never factored into this calculation.

There are about 66,000 acres of crown lands in Lanark county, of which over 48,000 acres are located in Lanark Highlands. Lanark Highlands operates with a total budget of about \$5 million, with responsibilities for services spread over 1,033 square kilometres, an area larger than the city of Toronto and Waterloo. Crown lands do not generate any revenue for local or county municipal governments. Crown lands, on the other hand, generate substantial revenues for the province.

Counties and local municipalities are required to operate and maintain a wide range of services, including roads and bridges, ambulance, fire and police, in support of these crown lands. In addition, many provincial ministries use these municipal roads in order to carry out the mandates of the crown lands. The cost of these municipal services is borne entirely by the property taxes outside of the crown land. The province of Ontario pays absolutely nothing to assist in reducing this burden. From a point of fairness and equity, it is important that the cost be shared with the province of Ontario.

Our recommendation: A fair payment-in-lieu rate applicable for those omitted lands should be based on the local residential property tax rate. The existing formula does not fully cover actual service costs. The implementation of a payment-in-lieu formula for unpatented crown lands at a 2006 residential tax rate would generate approximately \$145,600 in additional revenues for a small township like Lanark Highlands.

In addition to crown lands, we also have hydro corridors. Inconsistency currently exists in the province where transmission corridors are assessed in some municipalities and not in others. Specifically, where Hydro One owns or is leasing the lands over which their lines run, the corridors are assessed—we don't know what the formula is—but where they're not and where they're on easements, there is no assessment. However, this is inconsistent with provincial assessment policy based on the value of improvements made to land, not land tenure.

Our recommendation: The implementation of a uniform province-wide, pipeline-like tax could replace existing arrangements and could be made revenue-neutral to Hydro One. This might result in a lowering of revenues received by some jurisdictions but could rise in others. The guiding principle must be fairness, including the use of a reasonable implementation process that does not unfairly shock the system. In Lanark county, the rural municipality of Montague, which has less than 25% of Lanark Highlands, receives \$250,000 annually. While the city of Ottawa receives millions of dollars, Lanark Highlands receives nothing. The unfairness could be corrected by introducing a new assessment regulation that treats hydro corridors in a similar manner as pipelines.

Resource extraction: Lanark Highlands has a large stock of low-assessment value agricultural and residential land, with less than 2% of land in the commercial-industrial tax class. There are numerous examples throughout the province where extracted minerals are shipped out of

the originating municipality to a neighbouring municipality for processing. The processing plant where this occurs is assessed as industrial, which in turn creates substantial tax revenue for the municipality hosting the manufacturing facility.

In the case of the mined calcite removed from the township of Lanark Highlands and shipped to Omya Canada, these raw materials are valued many times more per tonne than that of sand and gravel removed from the area.

Our recommendation: Because of the obvious complexity in taxing end users of quarried or mined materials, the focus of fair taxation should probably return to the actual source of the materials and valuing these materials more fairly. This may require establishing different classifications for each mine or quarry. If the value of the materials removed from Lanark Highlands were treated fairly, this would result in tax revenue of more than \$1 million annually to Lanark Highlands. This represents a significant sum of money for a rural municipality that is otherwise starved for commercial-industrial assessment.

Mr. Lunney: I want to comment just briefly on local economic development. The provincial government's Strong Rural Communities, Ontario's rural plan published in November 2004 by the Ministry of Municipal Affairs and Housing, promoted local economic development as a key plank in the success of local rural economies.

Our recommendation: We believe that the provincial and federal governments need to provide leadership and champion the broadband initiative. Rural Ontario needs the tools to help grow its own economy and put less long-term reliance on provincial assistance. If the playing field can be levelled, the community has the ability to support itself. The provincial government needs to partner with the federal government and the private sector to connect all the businesses and households in Ontario with high-speed Internet. Other provinces have already led the way.

I'll comment briefly on the provincial gas tax. Rural Ontario roads and bridges are its transit systems. People pay the same provincial gas tax in rural Ontario as those in cities and towns. They deserve to benefit from a transfer of gas tax revenues as much as people served by transit systems. It's a question of fairness and equity.

The cost of maintaining rural road systems, including former provincial highways that were downloaded in the mid-1990s, has become the sole responsibility of property taxpayers in our region. In 2003, the Eastern Ontario Wardens' Caucus undertook an assessment of this situation. That has already been prepared for you under the Eastern Ontario Wardens' Caucus.

The state of rural roads is not improving. It has to be in the interests of all Ontarians, including those who have access to local transit systems, to ensure that rural roads are adequately funded.

Our recommendation: Consistent with the Eastern Ontario Wardens' Caucus request, we call upon the pro-

vincial government to share the provincial gas tax revenues with rural municipalities to support our road systems on the same basis as it provides these revenues to municipalities with transit systems.

Mr. Fletcher: In conclusion, while there appears to be a new willingness on the part of the province to communicate with municipalities and tackle serious infrastructure funding problems, much work remains to be done. The policy issues that have been brought to light today are of paramount importance not only to Lanark county and Lanark Highlands but also to many other rural municipalities in Ontario—so critical, in fact, that the future of municipalities such as Lanark Highlands could be determined by the action or inaction of the province on several of the fronts reviewed today.

We have brought these issues to the attention of the province previously, in various forums. No action has been taken. On behalf of the citizens and taxpayers of Lanark county and Lanark Highlands, we ask that they be given the serious consideration they deserve. We thank you for your time and attention.

1440

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

Mr. Prue: Thank you very much. I have a number of questions. And yes, you are right: If you went around this table, you would see that most of the people here at one time were municipal politicians—not all, but most.

You talked about 31% of the existing wells being contaminated with coliforms, or coliforms and E. coli. Over what period of time did this happen? This seems like a huge amount of existing wells to be contaminated in an area that one often doesn't—I don't read a lot about Lanark county having these kinds of problems.

Mr. Fletcher: This situation in the village of Lanark goes back probably 100 years. Prior to amalgamation, the village was all by itself, with a very small population. Amalgamation brought some support in the communities that amalgamated. This new study that we've just finished—we've spent about \$490,000 getting to level three—has taken close to five years to get there. It continues to grow as a problem. It's there. We're at the point where we could actually move ahead to see something happen, but when you only have 800 people and 300-plus homes and you're looking at \$22 million for the infrastructure—that's not with operation and maintenance; that's just the infrastructure—it's kind of hard.

Mr. Prue: What do the people do for drinking water there? They can't drink the contaminated water. Is it piped in?

Mr. Fletcher: Tim?

Mr. Tim Simpson: Yes, bottled water is very prevalent. In fact, at the town hall we drink bottled water. I think it's a fact of life that people have come to live with. They want to make a change, but we just don't have the fiscal capacity to make the change happen without a little more assistance.

Mr. Prue: You go on to talk about crown lands and payment for the crown land from the province. I'm not

aware that they do this anywhere in the province. Do you know whether they do this in any other location?

Mr. Fletcher: I don't believe so.

Mr. Peter Wagland: This is a unique problem to eastern Ontario. There are very few crown lands across the southwest or the GTA; it's a primary issue for eastern Ontario only.

Mr. Fletcher: In addition to the crown lands, we also have 97% of the community forest in Lanark Highlands, so we have very little land that we can work with that isn't already green for the rest of Ontario to enjoy.

Mr. Prue: And the province, through its various programs, would be very happy to leave those crown lands and the forest there, obviously for recreation and other purposes.

Mr. Fletcher: Yes.

Mr. Prue: But there has been no discussion with you whatsoever about giving you some revenues to help you keep that?

Mr. Fletcher: No; none to date.

Mr. Prue: You went on to talk about the provincial gas tax. This is going to be a difficult one. The province decided to take two cents of the provincial gas tax and give it for transit systems. If they took any of that money away from transit systems, I'm sure the big cities of Ottawa, Hamilton, Toronto, Windsor and those that have transit systems would be up in arms. That's going to create, I think, an impossibility for this government. I can't imagine any government taking away something they just gave without causing huge political problems. Would you be in agreement that they raise it another penny and start giving money to rural places or add an additional penny to the gas tax for roads and bridges—I can see that as a possibility—or do you not want additional taxes?

Mr. Lunney: I think what we've done today is identify the issue. How you folks come up with the actual money for it is, I think, something that you have to struggle with, as we are all struggling with our own budgets within our municipalities. At the present time, as we've pointed out here—and I encourage you to read all the comments under the provincial gas tax portion of our presentation—we feel we are being penalized for it. So how you come up with the money—hopefully, you will have a way of coming up with the money, because it's desperately needed in our communities to take care of our rural roads.

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

CASCO INC.

The Chair: Now I'd ask Casco Inc. to come forward. Good afternoon. You have 10 minutes for your presentation. There may be five minutes of questioning. Identify yourself for Hansard, if you would.

Mr. Rob Kee: Thank you. Mr. Chair, members of the committee, my name is Rob Kee and I am managing

director of Casco Inc. I'd like to share our perspective on agricultural policy related to corn production and use in the province of Ontario.

Casco is Canada's largest industrial user of corn. The corn we buy equates to 20% to 30% of the Ontario crop. We employ over 400 people in three manufacturing plants and a head office in Ontario, as well as a sales office in Quebec. The products we make from corn include starches, sweeteners, corn oil and animal feeds, and we supply customers and industries as varied as food, pharmaceutical, paper and feed mills. Casco has been processing corn in Ontario since 1858 and we're proud of the many millions of dollars that we contribute each year to our province's rural economy.

The financial health of Ontario's corn farmers is important to Casco. Until recently, corn producers were struggling due to years of relatively low prices caused by large global inventories of corn. Since September 2006, however, corn prices have increased sharply, and you can see this in figure 1 of the handout. One of the main reasons for this corn price increase has been a massive escalation in the production of ethanol from corn, primarily due to US government ethanol policy. According to the Renewable Fuels Association in the US, total annual ethanol production in the US has grown from about two billion US gallons in 2002 to over five billion US gallons today. This has increased corn demand by about 1.2 billion bushels per year. To give some perspective on that, this increase alone is almost five times the size of the entire Ontario corn crop. There are now more than 75 plants under construction in the US that, when completed over the next two years, will add six billion gallons of annual ethanol capacity, which will require about 2.4 billion additional bushels of corn per year, and you can see this graphically in figure 2. In the past year, corn prices have doubled on the Chicago Board of Trade from about US\$2 a bushel to over US\$4 a bushel. Prices have also moved up significantly in Canada. Casco is now offering over C\$4.50 a bushel for corn deliveries for this spring.

The sharp increase in corn prices since September 2006 is good news for Ontario's corn farmers. We believe that corn prices are sufficiently high to allow corn producers to make a decent financial return after years of hard times. Casco's willingness to forward-contract corn at high prices for both the 2006 and the 2007 harvests allows farmers to lock in these corn prices well into the future.

Today's higher corn prices also provide an opportunity for governments to work with corn producers to create domestic income support programs which provide some protection to farmers for the day when corn prices may fall. Such programs would cost governments little in the near term while corn prices are at their current high levels. Should prices fall, some sort of insurance program for farmers could avoid a repeat of the farm income crisis precipitated by low grain and oilseed prices over the past few years.

The recent increase in the cost of corn has created some challenges for Casco. Corn prices are now at their highest level in over a decade. We cannot simply pass on all of our corn costs to our customers, as some of our corn sweeteners compete with imported raw cane sugar, which is available in Canada at low prices. This is because Canada imports sugar from the so-called world market at the New York number 11 price.

1450

Many countries have government policies that protect their domestic sugar farmers. Excess sugar production that cannot be sold domestically in these countries is sold on this world market. Therefore, the world market is essentially an outlet for excess sugar production. This means that sugar prices in the world market are often low, at times below the cost of sugar production in many nations. This raw sugar is imported into Canada, where it is refined. Casco's sweeteners compete with this low-priced imported sugar in Canada. If our corn sweetener prices exceed the prices of sugar, some of our customers may purchase sugar instead of our domestically produced corn-based sweeteners. This could result in Casco producing less sweetener and therefore buying less Ontario corn. Simply stated, the growing demand for corn when combined with the relatively low price of sugar may put Casco in a price squeeze, where some of our prices are capped by sugar prices. This means that we cannot necessarily pass on our corn cost increases to our customers.

World sugar prices have fallen from around 17 cents a pound in the summer of 2006 to under 11 cents per pound now, a drop of 35%—you can see this in figure 3—while corn prices increased 80% over the same period. Rapidly increasing ethanol production in the US and Canada is expected to further tighten corn supplies and result in high corn prices for years to come.

Given the combination of high corn prices with the sugar-versus-corn issue described earlier, which makes it difficult for us to pass on our corn cost increases to our customers, Casco is very concerned about the effect of provincial government ethanol policies on domestic corn prices. We are also understandably sensitive to certain Canadian users of corn receiving preferential government subsidies that put other corn users at a disadvantage.

Casco has been supportive of Canadian ethanol production; corn-based ethanol provides a larger market for domestic corn producers. This is good news for farmers.

We are happy to compete with ethanol producers for corn supplies in an open and fair market. Casco welcomes the opportunity to buy corn on a level playing field, where no corn buyers are unfairly supported or disadvantaged by government subsidies that are not available to all domestic buyers of corn. We have no objection in principle to government-mandated ethanol requirements such as a renewable fuels standard. However, if corn-based ethanol production is subsidized by government, these subsidies can put other users of corn at

a competitive disadvantage to ethanol producers. Government subsidies for ethanol production might allow ethanol producers effectively to use government funds to purchase corn. Unsubsidized users of corn like Casco are thereby disadvantaged because we must fund our corn purchases from our pockets without any support from governments.

To be clear, Casco is not suggesting that government should subsidize our company. We simply ask that you take care to ensure that government programs in support of ethanol do not unintentionally harm other users of corn like Casco, which, in our case, has been part of Ontario commerce for almost 150 years. Accordingly, we ask you to take extra care to avoid subsidizing ethanol producers in any way that disadvantages other users of corn. We would welcome the opportunity to work with you and other stakeholders to create programs that fulfill the government's policy objectives regarding renewable fuels without causing harm to Ontario corn buyers like Casco who use corn for purposes other than ethanol production.

In summary, Ontario corn producers and taxpayers will not benefit from government programs that provide preferential treatment to ethanol-producing users of corn at the expense of non-ethanol corn buyers. These programs might simply replace unsubsidized corn demand with government-subsidized corn demand. We need to ensure that government policies permit all users of corn, whether they are processing the grain to make ethanol or sweeteners or feeding the corn to livestock, to coexist.

Thank you for your time.

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

Mrs. Mitchell: Thank you very much for coming out today. I wanted to give you the opportunity to speak a bit further to the opportunities to coexist. I know that you're very familiar with the production of ethanol. It doesn't have to be corn; it can be many other food stocks.

Mr. Kee: Right.

Mrs. Mitchell: So how do you see it evolving from corn to other food stocks? What do you feel is the price that will make it for the ethanol production that another food stock will have to be used? Where do you see that evolving?

Mr. Kee: It's a good question, because right now ethanol pricing in the US, at least, has been falling over the past few months, partly due to the reduction in oil prices and partly due to the increase of ethanol supply. It is, some people feel, approaching the break-even level, particularly without government subsidization. We may be at that level already. It's really a combination of oil prices and ethanol prices—the two have some relation—and corn prices as well. There is no one number at which it's good or it's bad; it's really a combination of those three.

Mrs. Mitchell: The agricultural community has been a strong supporter of ethanol production and moving forward. You know we've made the commitment to 5% and then further to the 10% mandate. But the funding that

has been set aside was for the ethanol growth fund. How do you see that directly affecting Casco at this stage? You talked about direct subsidies, so how do you see that affecting Casco?

Mr. Kee: Sure. The ethanol growth fund, of course, uses a calculation of the relative values of crude oil, Chicago Board of Trade corn prices and ethanol prices in the US to come up with a subsidy to certain selected ethanol producers. By our calculation, that subsidy is currently around seven and eight cents per litre. Based on the yields of corn to make ethanol, that equates to between 70 and 80 cents per bushel of corn. So although we understand where that subsidy system probably came from, essentially that is a direct payment to people who happen to be using corn to make ethanol, which gives them 70 cents per bushel or thereabouts—or 80 cents a bushel—that other corn users don't have. This isn't just about Casco. I don't want to sound self-serving. That includes livestock producers who are now competing for that corn in an environment where they're not getting that subsidy. Our view is that in a market where corn supplies are tight, and Ontario is a net importer of corn, that can certainly distort things and provide challenges for the people not receiving that subsidy.

Mrs. Mitchell: And we also can't build industries based on a lack of income. Specifically, the corn producers cannot go forward any longer with such low prices. I'm just stating the obvious. We can't build any industry based on non-sustainable prices, and we agree on that.

Mr. Kee: Absolutely, we agree with that.

Mrs. Mitchell: So where do you see the expansion of the by-products from the ethanol industry? Do you see being a part of that?

Mr. Kee: The actual by-products from the process?

Mrs. Mitchell: Yes.

Mr. Kee: Certainly it's an issue that is also challenging to folks like Casco in terms of the increased level of by-products that are produced. We're really not seeing any significant effect right now in terms of that, largely because any reduction in the price of by-products due to the extra production of those by-products has really been swamped by the doubling of corn prices. But it certainly would be logical to expect that you would see, as the quantity of ethanol-based by-products increases, a reduction of the actual price of those by-products in the marketplace.

The Chair: Thank you for your presentation.

Mr. O'Toole: On a point of order, Mr. Chair: I'd like to draw to the committee's attention an article this morning in the Globe entitled "Corn is Not Energy's Field of Dreams." It goes on to sort of counteract some of the input today. I think it should be on the record that corn won't be the basis for ethanol in the future according to all the experts.

The Chair: That's not a point of order. It might be a point of interest, though.

1500

JAN HARDER

LAUREL GIBBONS

The Chair: Now I would call on Councillor Jan Harder and Ms. Laurel Gibbons to come forward, please.

Ms. MacLeod: You're supposed to clap. They're from my riding.

The Chair: 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.

Ms. Jan Harder: Thank you very much. I'm Jan Harder. I'm a city councillor in Ottawa. I used to sit around the table with MPP McNeely.

Mr. Hudak: Do you miss him?

Ms. Harder: Desperately, daily, especially since the master transportation plan that we worked on so hard has had the guts torn out of it. But that's a story for another day.

Today we, Laurel Gibbons and myself, are here to speak, and I thank you for this opportunity to come down to lovely Belleville. I don't say that facetiously, I have lived here three different times in my life—even Batawa.

But today we are here to talk about building a stronger community together for autism. You may ask why I'm here as an elected official. I think that I have a partnership to bring to the table with the provincial government to provide the land, certainly the commitment and the interest in daycare, and that's what I want to talk to you about today. Some of you may have this handout, but I'm just going to speak briefly and Laurel will carry the ball for the most part.

In Barrhaven, which is in south Nepean, and in Kanata, we have far and away the highest percentage of children with autism and families with the hardship that autism causes in the family, in no small part due to the lack of resources that we have. With regard to Barrhaven and Kanata, but more specifically to south Nepean, the growth statistics are here. In Ottawa, far and away the number one growth area is Barrhaven. Today the population is about 60,000 but the population in 2020 is going to be in the neighbourhood of 120,000, so the increase is about 81%. It's where we've decided to grow our city.

With that, of course, come a lot of challenges. When you look at the fact that there's going to be almost double our population—the number of homes that will mean, the pressure on the school boards etc.—the pressure for daycare means the pressure for centres that are supportive of families. That's really why I'm here at the table today: to talk about how we can make this happen.

We are the fastest-growing community but we also have, in Nepean-Carlton-Ottawa West, the highest number of autism-related cases reported in the city of Ottawa. Every week—and I'm not exaggerating—I have calls to my office from parents who are in desperate need of assistance. Unfortunately, the majority of them have

children—little kids—who have been recently diagnosed with autism. What are we going to do about that?

In order to help them with the best chance they have, it's a cost of \$2,000 net a month per child. I know a lady and her husband who live across the street, Kristin and Greg are their names, and they have twin boys who are three and a little girl who is 20 months old. In the past year, they found out that both boys are autistic. Now, she's a special-needs teacher, and if she was able to work, that would be good. But her attitude is, maybe she is a special-needs teacher and that's why she's been given this challenge to help her two boys. The fact is, though, that her husband is a police officer, and \$4,000 a month to put both of them in the course that they so desperately need in order to have a great opportunity at life in the future, to possibly come out of high school with no one knowing they were ever diagnosed with autism—that is the goal. But \$4,000 a month is putting them in a position where they have to choose between their own children. Also, today in Barrhaven, if they make the choice to put one of them in, the first one that was diagnosed, it's a 45-minute drive in non-peak hours to the closest place where they can take their kids. What do you do with that other three-year-old, who will start four-year-old kindergarten, we hope, and what do you do with the two-year-old in that interim?

So I'm here to tell you that I am excited to sit at the table as a representative of the city of Ottawa with the province and talk about a partnership to bring these services that we desperately need to the fastest-growing area in the city, which is Barrhaven, but also seconded by Kanata. There is virtually nothing for children and families with autism in the west end. So I'm asking you to sit down at that table with us, please, and partner with us. We desperately need your help.

Now I will pass it over to Laurel, who is, if not an expert, an open book, an encyclopedia, if you will.

Ms. Laurel Gibbons: My name is Laurel Gibbons. I'm an autism advocate, the mother of Robbie, and I am also on the board of directors for an organization called Autism Speaks. Good afternoon, and thank you for the opportunity to present before you today. Like Jan, I too am excited about the possibilities of creating some partnerships with the province of Ontario to increase some supports and services within our community.

Autism numbers speak for themselves. Just to put some perspective to this, I reference muscular dystrophy, which is one in 25,000; pediatric AIDS is one in 8,000; juvenile diabetes is one in 500. Thirteen years ago, autism was one in 10,000, and today it's currently, in this country, one in 165 births. To break that down even further, it's one in 104. We have an epidemic crisis on our hands in this country and we're not doing enough to deal with the strains that are put on families today.

More children this year will be diagnosed with autism than with AIDS, diabetes and cancer combined. Autism is a lifelong disability, and no, it does not ever go away. However, there is hope available to parents by means of very effective, evidence-based interventions, which the

province of Ontario does cover under some fairly stringent criteria which a child must meet in order to be able to access the services.

But without vital community involvement and person-centred programming, many persons with ASDs—autism spectrum disorders—will live in isolation and become fully dependent on social services throughout their lifetime. The time, I think, to act is now, and starting at a community level is the right place to do it because it's where most of the strain is: directly on the families.

I want to talk about the need for funding, the need for governments working together interministerially and also at multi-levels of government, and then I want to tell a little bit about my story, if time permits.

With provincial funding, Jan mentioned that families affected with ASDs are incurring costs of up to \$2,500 a month; in some cases, we're talking tens of thousands of dollars. From a family perspective, the number one strain on a marriage is usually finances, and I can't tell you the hardships that families are faced with and the burden that puts on the family unit as a whole.

Local parents need the provincial government to recognize the importance of such a facility in our community. I know that there are nine regional service programs available through the autism intervention programs, but in our area of eastern Ontario it's highly underfunded and undersupported by the provincial government. With the city of Ottawa already on board and funding from the provincial government, it would help to alleviate some fiscal limitations placed on families with those suffering from ASDs.

I will quote what Dalton McGuinty said in 2003: "In government, my team and I will work with clinical directors, parents, teachers and school boards to devise a feasible way in which autistic children in our province can get the support and treatment they need." Quite frankly, yes, a lot of work has been done, but you know what? It's not enough. There's a lot of work to be done, and more emphasis needs to be put on this.

We have three effective elected representatives from three levels of government ready to work to make this happen. Ottawa city Councillor Jan Harder is here today because she believes that the municipal government of Ottawa will be able to provide a facility to house this type of initiative. What we're working for is a nursery-preschool program, education and training of current and best practices for those affected by ASDs, regular monthly autism orientation sessions, age-specific programs, youth and adolescent programming, sibling support training and programming, recreational programming, and regular information and guest speaker programs, much like the Geneva Centre does in the Toronto area.

Ideally, an extension to the current available ASD program such as the Ottawa Children's Treatment Centre would be a natural place to expand upon; 20% to 25% of the children that they service are on the autism spectrum. To put that into real numbers, last year alone they serviced over 600 children. That's not including the autism intervention program of eastern Ontario or those

that are currently being serviced within the school boards, so an all-inclusive autism centre for parents and families coping with autism spectrum disorders—

The Chair: You have a minute.

Ms. Gibbons: I'll try to go through it, but I'm here today as a mother of an autistic child. My son was not finally diagnosed until he was five and a half. We basically went through hell, were accused of being bad parents and whatnot, even though we knew from a very early age that he did have autism.

1510

When he was finally diagnosed, we were literally given the names of two books, a prescription for an anti-psychotic to reduce his aggression, a pat on the back and told, "See you in six months." We had finally received a diagnosis, but we were told, "You're too old for the pre-school autism program. Good luck. Start an ABA program." I can tell you, the money runs out pretty quick, with speech therapy, occupational therapy and a behavioural therapist. There was no place to go and there was no place to turn for current information, to receive advice on training or to find out what we could be doing at home to help our son. And I haven't met one parent yet in my advocacy who wasn't willing to do whatever they could at home.

When it comes to getting into these programs after you've waited for months and months on the long waiting lists, what happens is, if you begin to intervene on your own, privately, the child sometimes reaches a point where they don't get into the preschool program because they're too high-functioning. So you're damned if you do and you're damned if you don't. This has got to change.

More importantly, families are left to their own devices to find out what the best practices are and to sort their way through what's out there and what's available to help their children. There is a severe problem, in my opinion, of fragmentation of the services that are available and that quite often parents aren't utilizing, because we simply don't know that they're out there. We need a central house, if you will, to organize such so that parents know that these things are available and that we can support them in whatever way we can.

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

Ms. MacLeod: Thank you very much, Laurel and Jan, for coming today. There's no question that you have the support of your local MPP here today.

I just wanted to reiterate to my colleagues that almost half of the kids with autism and limiting disabilities live in the west end of the city of Ottawa, and those kids and their parents are expected to drive almost 40 minutes away to receive treatment. That's why it's so essential that there is political will and a partnership among community groups to work together to have a site like this.

I'm also glad that the two people who are here today represent the suburban and rural parts of my riding. I would like to know from both of them that if a facility like this were built, in partnership with the children's

treatment centre, the city of Ottawa and the province of Ontario—we would obviously be servicing our rural, suburban and urban kids the same way. As a parent in a rural community, Laurel, would this assist you?

Ms. Gibbons: Absolutely—ideally, though, a facility that would be all-encompassing so that I could access some programming for my child with ASD, but at the same time be able to have a resource centre of some type within that facility where I could maybe meet with other parents and we could help one another. No such facility exists in the city of Ottawa, and travelling from the rural area in Greely just to get to the city centre to access some of the local charities and offices is at least a 45-minute drive, and that's in good traffic. And then what do you do for two hours with your other children?

There's a great need in our community for something like this. With the highest numbers per capita of children with ASDs, I think it's something that's necessary to be looked at quite extensively to see what we can do pro-actively together to bring forth such an initiative.

Ms. MacLeod: Councillor Harder, I want you to talk a little bit about respite care and what that will do for our mutual constituents with maybe one or two children who are autistic, and how a centre like this in the west end of the city of Ottawa would benefit them.

Ms. Harder: You have to remember that an autistic child comes from a family, and often there are siblings there who really don't understand. They understand the fact that their sibling, their sister or brother, is different. Actually, Laurel and I were just talking about this at lunchtime, that she has to remember the fact that she has two little girls for whom she creates special fun nights to do different things to remove them from the house. Even though it costs a little bit of money, it's absolutely necessary so that they can have a quality of life. That's what respite is about, quite honestly: It's giving the family an opportunity to not have acting out, to have their autistic child in a safe and nurturing place where they can be looked after. I know from experience in my community the difference it would make in the lives of people I know. I see this centre as being more than a Monday-to-Friday; I see it being a welcoming place, a teaching place, a learning place. We have lots of opportunities and locations that are workable.

Ms. MacLeod: Just one final question, because—do I have enough time?

The Chair: Oh, yes.

Ms. MacLeod: Excellent. With respect, Ms. Gibbons, to the provincially funded ABA/IBI spots, how many new spots does that total for the city of Ottawa?

Ms. Gibbons: From my sources, when I inquired about that, there were 20 spots allocated for the eastern Ontario area.

Interjection.

Ms. Gibbons: Yes, it was 20. It doesn't even come close. So you have a situation where the parents receive a diagnosis and then they wait, and then they wait, and then they wait some more. But in the meantime, that's a crucial time when we could be servicing and filling in

some of those gaps: “Okay, here’s what you should be doing. We can help you to do this while you’re waiting.” I understand that the wait-lists are not going to go overnight and we are working hard towards meeting the needs, but there’s so much more that could be done in the interim by means of having support centres to teach the parents what they can be doing at home that’s effective in the meantime, in the interim.

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

ONTARIO MUSIC EDUCATORS’ ASSOCIATION

The Chair: I would ask the Ontario Music Educators’ Association to come forward, please.

The Acting Chair (Mrs. Carol Mitchell): Thank you. If you could please state your name for Hansard—10 minutes for your presentation and five minutes for questions. It will go to the NDP for questions. If you would like to begin.

Mr. Jim Palmer: Good afternoon. My name is Jim Palmer. I’m a parent of four children, a teacher with 24 years’ experience in the music room, an education co-ordinator right now with the Upper Canada District School Board, and I’m president of the Ontario Music Educators’ Association. All of these experiences and influences have brought me here today to represent the OMEA and to make this deposition in support of providing increased funding for music education in Ontario.

Why am I here, in particular? Why am I not speaking to the Ministry of Education or the Ministry of Culture? Well, the message of the OMEA is being taken there too, but the significance and impact of the arts crosses ministerial boundaries.

I’m struck by the people who are presenting to the committee today, and I see that it crosses boundaries of presentations as well: the presentation made in favour of an autism centre and the importance of rhythm and music in many music therapy programs; the upcoming presentation on the Tayside community residential centre—and I have many fond memories of my little band performing at various points throughout the year at residential centres; and, of course, the Ottawa-Carleton District School Board, coming up, which is well known for its music programs, including the nationally recognized Nepean All-City Jazz Band, led by Neil Yorke-Slader.

The written brief that you have been provided with has been carefully prepared by our team and contains the fiscal details which back our arguments for increased funding to Ontario music programs in our elementary and secondary schools, along with suggestions about how those funds might best be used to meet the needs of the citizens of Ontario. I’m not going to reiterate the detailed contents of this brief. Instead, I will try to frame our request in light of my experience as a parent, a teacher, an administrator, and president of an organization work-

ing for the needs of thousands of students and teachers in Ontario.

In coming to this committee, we are asked to outline our request in response to some of the broad budgetary issues faced by the Ministry of Finance and the government it serves. In dollars and cents, the gross domestic product for the Canadian cultural sector amounted to more than \$33 billion, or 3.8% of total national GDP, on average, between 1996 and 2001.

In industrial terms, arts is a growing sector. Some Ontario communities are actively turning to culture as a means of generating lasting and stable employment, in contrast with what they see as an increasingly fragile reliance on industries subject to multinational pressures. In my own eastern Ontario community of Brockville, economic development officer Dave Paul recently announced in the Recorder and Times newspaper the city’s multi-year plan to attract cultural and arts interests to the area, rather than a traditional focus on bringing in more manufacturing concerns. The city believes that arts can be a viable foundation for their future economy.

1520

People for Education, in their 2004 report on arts education in Ontario, reminded us that, “Statistics Canada data from the 1996 census shows the arts and culture sector directly generated 291,000 jobs in Ontario” at that time. “The direct and indirect impact of the sector on the province’s ... GDP was \$19.1 billion, which represented 6.6% of Ontario’s GDP.” On a per-capita basis, the arts and culture sector was responsible for an economic return of \$1,700—\$1,700 for every man, woman and child in Ontario.

For the continued health of any long-term enterprise, reinvestment is vital—both in the industry itself and in the education programs that support it. If we invest even one tenth of 1% of that \$19 billion back into arts education, \$19 million a year becomes available to be invested in music, drama, art and dance in Ontario schools. In this light, the recent announcement of a single injection of \$5 million for arts funding is a very welcome sign in the right direction but by no means a complete solution to the crisis faced by arts educators.

I’d like to turn now from a purely economic argument for the arts and move to the benefit that education in this field, and most especially in music, can have for Ontario. There is a vast body of evidence that music education helps to develop reasoning and problem-solving skills and boosts personal esteem. Recognizing this, the Ministry of Education has done an admirable job of developing a high-quality and rigorous music curriculum and will improve and augment the resources in this year’s arts curriculum review. However, the funding to support the programs of study has not kept pace with the curriculum, and without funding for the teachers, the classrooms, the instruments, and the myriad other necessities of a viable program, the curriculum does us little good. A recent Globe and Mail article titled “How to Raise Passive Consumers of Culture” warns us, “An education system without strong arts programs further separates

poor from rich and urban from rural, further neglects children at risk and tells all children, those great consumers of music, television and video games, that culture is something to be passively received rather than actively analyzed and created.”

A current focus of the Ministry of Education is student success and student retention. Many of the policies supporting student success respect and promote the idea that intelligence is expressed in many ways. This includes musical intelligence, a vital segment of Howard Gardiner’s multiple intelligence theory, which is a driving philosophy in Ontario education. To fairly represent and fully develop a child’s musical intelligence, a well-funded and effectively staffed music program must be available to all students. Every child deserves a chance to develop this part of their mind.

Music also plays an important role in student retention. I know something about poor, rural and troubled students. I’ve been a teacher in eastern Ontario for 24 years. The industrial base of this part of our province has eroded steadily over those years and the family farms that grow many of my students have faced challenging times. Yet these students, because they have had the opportunity to participate in a vibrant music program, have known success, achievement and experiences they could not have known without a publicly funded music program. Recently, a parent shared a story of a conversation he overheard between his child and a young man of 19 finishing his last high school credits. “Man, I would’ve quit school long ago if JP hadn’t got me into drumming,” the young man stated. “He just encouraged me and taught me and trusted me and, well, eventually I couldn’t quit because the band needed me.”

Most music teachers can share a story of numerous star pupils over the years going on to become famous performers or community leaders, successful students continuing to shine, but I’m confident that those same teachers could share similar stories of bringing success to youth in peril. This important role that music and the arts can play in student retention and engagement is recognized and reflected in the work of the Ministry of Education in the establishment of the high-skills major in the arts—one of seven high-skills areas identified by the ministry as part of the Student Success/Learning to 18 program. The long-term savings related to keeping kids engaged in attending school are real when we consider the expenses that otherwise ensue, including costs of welfare, unemployment and chronic underemployment.

However, this initiative and all other arts and music initiatives are incumbent upon sufficient financial support.

You will find in the printed brief an outline of how great a financial commitment is required to foster viable music programs in Ontario schools, and we recognize that it is not insignificant. However, the need for music education in a well-rounded, fully realized life is already recognized in its inclusion as a vital part of the Ontario curriculum. What we see, though, in these times of declining enrolment and fiscal challenge is a deterioration

in both the funding and the staffing available to music classrooms. Few boards, for example, are able to support music consultants to provide expert support to teachers, and even fewer are able to develop new dedicated music programs staffed by qualified teachers. They struggle to even find the necessary funds to support the aging infrastructure of existing programs. The tendency to marginalize music programs because of funding challenges means that music and all the arts are increasingly accessible only to those with the private means to support participation: parents able to rent or purchase instruments or pay for private lessons. We cannot, as a society, allow affluence to dictate access to the arts.

I urge you to carefully consider the evidence we placed before you in our brief and to provide the resources that Ontario’s music educators need to bring the joy of the arts to a new generation. The students of today will write the songs of tomorrow. Help us give them the tools they need to do that.

The Acting Chair: Thank you very much for your presentation. The round of questions goes to the NDP.

Mr. Prue: While you were speaking, I was trying to do two things, which is always dangerous. The first was to listen to you and the second was to look at the key recommendations in the written aspect. I’d like to go to those key recommendations. You are asking that there be designated specialist music teachers. Are they teachers who will be in the school or are they people who are musicians who will be brought into the school to teach the one course? The reason I’m asking that is I know that some teachers’ unions won’t necessarily agree with bringing in outsiders. So which way are you looking at it?

Mr. Palmer: The Ontario Music Educators’ Association represents not only teachers who are employed in elementary and secondary schools but also ORMTA, which is the Ontario association of registered music teachers. So we do represent some music professionals outside the classroom as well. It is, however, the preference of OMEA—and it should be made clear in our brief—to have classroom teachers who are trained in pedagogy, who are trained professional educators, be delivering the music program as well. So it’s therefore our preference that the specialist music teachers in the schools also be qualified music educators, with the same kinds of constraints upon them that the college of teachers places upon all teachers.

Mr. Prue: You’re also looking that each board of education have funding for consultant music staff and that each school board set a minimum instruction time.

Mr. Palmer: That’s correct.

Mr. Prue: Is this going to displace any other curriculum if additional music is taught or is this in addition to the curriculum that now exists?

Mr. Palmer: Historically many boards have had arts consultants or music consultants, and some of the largest boards continue to be able to support that. The fact is, our board, since we were amalgamated with four other boards in 1999, has not had an arts consultant or a music

consultant of any kind providing support to classroom teachers. We have had consultants in a number of other areas, especially areas designated as important, and certainly we have no argument that areas like numeracy and literacy aren't important; those are extremely important areas. However, because of a greater focus on those areas, areas like the arts have been marginalized. So what we would like to see is more of a return to a respect for the arts, reflected by trained professionals at the board level who are able to provide professional assistance to the educator in the classroom.

Mr. Prue: I'm intrigued, as well, by your last recommendation—I don't know whether I've got time to go through all of them—about the government undertaking a comprehensive study of the state of music, much as the Australian government did, to identify specific resource funding and policy gaps. I understand that Australia has gone right into the music business and understands that kids who learn music in the school usually do better academically as a result of it.

Mr. Palmer: That's correct.

Mr. Prue: Can you just tell me what kind of study you expect the Ontario government might want to do and how long the study might take, using the Australian experience?

1530

Mr. Palmer: The Ontario Music Educators' Association has just received \$50,000 from the government of Ontario in support of music programs, and one of the things that we are hoping to do with that money is to put together exactly that proposal: what it is that that kind of study would look like. We would see it as being a study similar to the national study which was done by the Coalition for Music Education in Canada three years ago, the Making Music Makes You Smarter study, which did tie in very effectively, in a national case, the achievement of students both in school and post-secondary in terms of their overall achievement, relating that closely to their participation in organized music programs.

The Acting Chair: Thank you.

Mr. Palmer: Thank you for your time.

TAYSIDE COMMUNITY RESIDENTIAL AND SUPPORT OPTIONS

The Acting Chair: If the next presenter would come forward, please. If you would please state your name for Hansard; you have 10 minutes for your presentation, and there will be five minutes for questions from the government.

Mr. Dave Hagerman: Thank you. My name is Dave Hagerman and I'm the executive director of Tayside Community Residential and Support Options. Thank you very much for giving me this opportunity to present to you. I don't envy your job. You have a very difficult task ahead of you, I know.

I will read our presentation just to take full advantage of the time we have. I'm more than willing to answer questions at the end.

Tayside is a multi-service agency providing residential and support services to adults with intellectual disabilities through four group homes, support of independent living to 16 individuals in the community, and family home arrangements for three individuals. In addition to the developmental services, Tayside operates three licensed child care centres providing licensed child care to 120 children as well as 18 social housing units. It's a bit of a multi-service social service agency in the town of Perth.

The bulk of our activities focus on the care of individuals with intellectual disabilities, and this is the area we want to focus on today. The developmental services sector is under extreme pressures that need immediate attention. For too long has the sector been undervalued. The work that families and communities have undertaken to care for the most vulnerable in our society has been taken for granted. It is time to value the work undertaken by our agencies and it's time to value the staff providing these services. Although some agencies in the developmental services sector have reached some form of salary parity with other areas in the greater public sector, there still remain agencies, like Tayside, that lag far behind.

We must value the work that's being done in these agencies. In our agency, 89 of the 96 employees are women working for salaries ranging from \$10.83 an hour to the \$16-to-\$19 range. Just as a footnote, most of our staff work 24/7 shifts, and the regular workweek is 36 hours. The largest numbers of employees are in the 50-to-60 age bracket, so we do have an aging workforce. Needless to say, few employees are in the top salary scale. Our employees have just recently been covered by a basic pension plan, and we still do not have a dental plan or any adequate protection for drug costs. Just as an example, two women have just retired from the agency; they pretty well devoted their lives to the care of the most vulnerable in our community. These two women have retired with no pension whatsoever.

The recent targeted funding allocations have provided some level of support to our agency in these areas but we still have a long way to go. The targeted funding initiative also continued the practice of comparing underfunded agencies to other underfunded agencies. This practice will continue to keep wages in the sector depressed. It is imperative that we deal with the salary and benefit disparities within the greater public sector if we are going to attract young and motivated professionals into the field.

We, as a society, must do better than to condemn this entire group of women to poverty-level incomes in their old age. We must do better.

Furthermore, in terms of pay equity, most agencies are years away from achieving pay equity, and we feel this should be addressed immediately as well. The clerical work dealing with pay equity is mind-boggling on its own.

We also must recognize the need for expanded service. There are many families with aging parents looking after their adult children with intellectual disabilities who are becoming too old and frail to care for these children.

There is no place for these adult children to go and the families are becoming desperate. We as a society have been taking this care completely for granted, and now there is no one to pick up where these parents will leave off. We must do better. We must provide these families with the peace of mind that their adult children will be cared for with the same love and devotion that they have displayed over the many years.

There are many young parents struggling to provide care for their children with intellectual disabilities in their homes, but they need help too. They need child care for their older children, because many of these children still need some form of child care program and after age 12 they are no longer able to attend the licensed programs. When they become too old for the child care system, they need respite care and they need family supports in the home that are reliable. All these needs continue to go unmet. We must do better.

In Lanark county, there are many agencies that are ready and willing to pick up the challenge, but we need the help of the provincial government. If we are going to rely on community agencies to provide direct care to the most vulnerable in our society, these agencies must be provided with an improved funding structure. We must put in place a stable, long-term funding plan that will enable the community agencies to address the many inequities in our current system.

To address some of the issues around funding: We should bid goodbye to the days of March madness when agencies are informed two or three months before March 31 that there are chunks of money to spend but only on certain things. This is basically chaos. It does not allow for any due diligence, it does not allow for planning and it certainly does not allow for strategic thinking of any kind.

There must be a long-term commitment to meet the needs of the many vulnerable individuals in the community on our waiting lists, there must be a long-term commitment to value the staff working in our agencies, and we must value the entire population of individuals with intellectual disabilities so they and their families really do feel included in our society. Thank you.

The Acting Chair: Thank you for your presentation. This round of questions goes to the government.

Mr. Arthurs: Mr. Hagerman, thanks for your presentation. It is certainly not the first we've heard on this theme during our days on tour and in Toronto. But each time one brings, if not a new perspective, a reinforcement of what is happening.

Tell me a little bit about the issues of staff retention and staff attraction. Certainly you were very clear, probably clearer than some of the presentations, on the demographics. Most of your staff are women. They are aging into a retirement time frame—in the absence of any pension benefits, which is worse still. That obviously presents challenges. The salary scale, the need there in dealing with issues of retention and/or recruitment. What are your experiences with your agency in those areas?

Mr. Hagerman: This is a major problem. The one thing that I've been struck by, working in the field, though, is the tremendous commitment, for these low wages, that many of these women have displayed over the years. They just continue to care for these individuals. It's harder and harder to attract the younger people coming up if they see that the wages and salaries and benefits just will not be enough to sustain a family. Our agency, as with many other agencies, is displaying an aging workforce, so we do have a responsibility in terms of their older age to the people who have displayed this tremendous sense of commitment to people over the years. But we also have to value the work so that we can attract new, young and committed people to do the work that's coming behind them, because the government is asking us to do more, not less, in this field, and we need more motivated and committed staff, not less. It is difficult—very difficult—to bring people into the field. The demographics of our agencies speak for themselves.

Mr. Arthurs: Being in a smaller community, it's interesting looking at the structure you have, as you were reading at the beginning: residential support services, group homes, independent living support, family home arrangements, licensed daycare and also operating social housing units. That's an interesting mix.

Mr. Hagerman: Yes.

1540

Mr. Arthurs: Is that common with agencies in rural or smaller-town Ontario?

Mr. Hagerman: I think it's common to the culture and the values of rural Ontario. There's usually a group of committed individuals who want to care for their community. Tayside Community Options didn't intentionally develop this way. They responded to needs as the community expressed them. They wanted to support the most disadvantaged in their community, so they developed these services or took them over when other agencies would not or were no longer able to do them. I think it's a reflection of the culture of caring in rural Ontario.

Mr. Arthurs: Let me, on behalf, I suggest, of the committee and others, thank you and your organization and staff working with and for you for the work you're doing on behalf of Ontarians who have the greatest need.

Mr. Hagerman: Thank you.

The Acting Chair: Thank you very much.

OTTAWA-CARLETON DISTRICT SCHOOL BOARD

The Acting Chair: If the next presenters would come forward, please. Good afternoon, Dr. Rachlis.

Dr. Lorne Rachlis: Good afternoon.

The Acting Chair: Would you please identify yourselves for Hansard. You have 10 minutes for your presentation and five minutes for questions. The questions will go to the official opposition. If you'd like to start.

Mr. Rob Campbell: Thank you to the committee. I'm sure you've heard a lot of presentations over the course of the day. Hopefully, we won't repeat too much.

My name is Rob Campbell. I'm the chair of the Ottawa-Carleton District School Board, the OCDSB. We're the largest publicly funded board in Ottawa. To my left is our vice-chair, Lynn Scott, and to my right is our director of education, Lorne Rachlis. Lynn and I will be trading off a little bit in the presentation and Lorne may be asked to supplement at some point.

We have a kit distributed, hopefully, to everybody here. We'll be more or less going through the one-pager we've prepared, but there are a couple of other important elements in the kit we've provided everybody that we'll make brief reference to.

The Ottawa-Carleton District School Board anticipates a funding shortfall of \$27.7 million for the coming school year. We are one of five boards recognized by the Ministry of Education as being at the leading edge of a growing public education funding crisis in Ontario. Our board is receiving less per-pupil funding in constant dollars today than it did 10 years ago. Without significant changes in the structure of education funding in Ontario, school boards across this province will face increasing funding shortfalls over the next two years and students will suffer the effects of precipitous forced cutbacks.

As just a little addendum to that, I've mentioned that we've been identified as one of five boards by the ministry explicitly. We know that the government, on January 25, I believe, released an RFP to gather together corporate help to form special assistance teams because it might identify up to 12 boards going into serious crisis.

The root of this financial crisis is the chronic underfunding of the salary and infrastructure costs of Ontario school boards. Current provincial grants for education still do not cover the actual costs for teacher salaries, benefits, facility maintenance and new school construction. This government has not implemented the spirit of the Rozanski report, which called for each part of the funding formula to cover the actual cost of delivering each contemplated service. We appreciate the government's recent acknowledgement that a salary gap exists, and we recognize that the government has moved funding from envelopes to reflect boards' stopgap solutions and to improve funding transparency with respect to salaries. Nevertheless, shifting dollars from one envelope to another does not solve the problem. The dollars shifted towards salaries were the same dollars that were supposed to be available to local boards to support our neediest students: local opportunity grants and that kind of thing. The very students whose needs most justify having a public education system in the first place have seen dollars intended to support their learning and achievement redirected in order to artificially reduce the salary gap.

Ms. Lynn Scott: We recognize that our students benefit from the new funding in the form of special-purpose grants that have been tied to new ministry initiatives by this government and the previous one. Today, in the earlier presentations, you have heard a great deal from some particular sectors of the importance of these special-purpose grants, such as the grants for fine arts

that were just announced the other week. Nevertheless, as long as the core costs of education are underfunded and our need to address the local priorities continues to grow and not be dealt with, we increasingly have problems in addressing the actual needs of our students.

In addition to that, declining enrolment, which is a problem all across Ontario, is a particular problem for our board because we have urban, suburban and rural components, and I don't think too many other boards in the province have that. Essentially, we have the inner-city needs of Toronto, we have the high-growth needs of Peel or York region, and we also have the rural needs of upper Canada, Lanark county and other areas like that. Our declining enrolment grant actually went down by \$4 million. That's about a 50% reduction for this school year, which we did not expect, although our actual enrolment decline was about the same as it had been the previous year.

Even more of a concern for us is that the continued funding inadequacies are really impairing our ability to serve our high-growth areas and are accelerating our loss of enrolment to other boards. We have written the minister about this in the past, and we have not yet received an answer that addressed our concern about the capital funding formula changing so that the needs of our students would really be met in our high-growth areas.

Mr. Campbell: Our OCDSB position paper on education finance has been provided in your kit. It was updated in November. It provides more specific details on the magnitude of the challenges we are facing as a board, with some very specific recommendations for change. Also provided in your kit is a copy of our staff's management plan that came out on January 15. It's our attempt to try to deal with our budget situation for next year. It highlights the severity of the reductions that will be required in order to balance our budget over two years. In fact, I need to point out that this is the first time in OCDSB history that our staff have seen fit to recommend a deficit for next year.

This committee has a unique opportunity to influence provincial spending priorities. We respectfully request your assistance in helping the government to understand the crisis that is looming in public education.

If this government is indeed the education government, then it must (1) fund the true costs of education by eliminating the gaps in salary, benefit and facilities benchmarks, in accordance with the principles of the Rozanski report set out in 2002; (2) address the rising costs of transportation and special education services; (3) stop the special-purpose grants and put all of the money for education on the table; (4) deliver grant information, structured to provide adequate funding, in March so that school boards have sufficient time to develop a balanced budget.

Our students deserve a fully funded education system, with funding levels based on student needs. Our society depends on it; our government has the ability to deliver it. You have the opportunity, please, to show them how.

The Chair: The official opposition?

Ms. MacLeod: It's a pleasure to have one of my school boards here before us today. Just before Christmas, I had the opportunity to present in front of them, so it's nice to see them appearing before us today.

Ms. Scott, I really enjoyed your presentation of our needs, with the high-growth areas, the rural issues as well as the inner-city issues. In light of that, and your \$28-million shortfall, could you clarify what a reduction of \$28 million would mean for our students and, more specifically, what measures you'll have to take to alleviate that \$28-million pressure, in terms of schools and teachers and special education?

Ms. Scott: We really appreciate that question. Over the last several years, we have made very significant reductions and introduced new efficiencies in virtually every area outside the classroom. We have a lean central administration. We have been exercising economies in student transportation for many years. Our urban students, no matter how far they are from school, don't get bused at all and have to pay for their own OC Transpo, for example. We've done that to protect our special education programs, our fine arts programs; you heard a bit about that earlier today. Our staff are telling us, basically, that there is no way we can take \$28 million out of our budget without having a significant detrimental effect on student programs, student access to programs, student transportation, student services such as special education. Perhaps our director could elaborate a little bit on what that means.

Dr. Rachlis: This would be the first time we would ever have recommended the board having a deficit, and we would need government permission to do that. The infrastructure changes would be tremendous, to try and do it all at once, and will be significant, trying to spread it out over two or three years. We're looking at immediately reducing our staffing complement by up to 200 positions, including 125 teachers, significant reductions in the amount of school supply money, learning materials frozen and put on hold, cutting back or stopping purchasing of new computers. This is going to be the greatest disruption I've ever seen in this school district, and I'm really concerned.

Ms. MacLeod: Thank you. I obviously couldn't have the chair, the vice-chair and the director of education in front of me without putting a plug in for the Longfields-Davidson Heights secondary school, which we desperately need in south Nepean, as we heard earlier today.

I would like to talk to you a little bit more about special education and the needs of our kids in our community with special needs, including autism, the resources you're putting toward the kids in our community for those purposes and what types of programming you've got in place: whether or not you've got ABA in the schools and whether money is going towards the EAs.

Dr. Rachlis: We do have over 600 educational assistants in our schools. We are currently overspending the special education envelope by \$10 million, meeting the needs of students. Government funding for the level of service we're providing just isn't there, so we're taking it out of other areas. We have a full range of service, from congregated classes for students with the greatest need through full integration with service in class.

We do not have ABA in the schools. We have similar kinds of programming for the children, though. We have a small number of psychologists and social workers to assist in that. Every school has special education staff assigned to it.

Ms. MacLeod: How will this budget pressure, this shortfall, impact those vulnerable children?

Dr. Rachlis: Less access to professionals and para-professionals, and we will have to focus on the students with the greatest needs.

Ms. MacLeod: How many students presently do we have in the Ottawa-Carleton District School Board who are special needs?

Mr. Campbell: It's about 11% or 12% of about 68,000 kids, so—

Dr. Rachlis: About 8,000.

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

That concludes our hearings in Belleville. We are adjourned.

The committee adjourned at 1554.

Continued from overleaf

County of Lanark; Township of Lanark Highlands.....	F-953
Mr. Al Lunney	
Mr. Bob Fletcher	
Mr. Tim Simpson	
Mr. Peter Wagland	
Casco Inc.	F-956
Mr. Rob Kee	
Ms. Jan Harder; Ms. Laurel Gibbons.....	F-958
Ontario Music Educators' Association	F-961
Mr. Jim Palmer	
Tayside Community Residential and Support Options.....	F-963
Mr. Dave Hagerman	
Ottawa-Carleton District School Board.....	F-964
Dr. Lorne Rachlis	
Mr. Rob Campbell	
Ms. Lynn Scott	

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Staff / Personnel

Mr. Larry Johnston, research officer,
Research and Information Services

CONTENTS

Wednesday 31 January 2007

Pre-budget consultations	F-917
Council of Ontario Construction Associations.....	F-917
Mr. David Surplis	
Ontario Veterinary Medical Association.....	F-919
Dr. Reg Reed	
Mr. Doug Raven	
Association of Colleges of Applied Arts and Technology of Ontario.....	F-921
Ms. Linda Franklin	
Mr. John Rigsby	
Ms. Maureen Piercy	
Mr. Bill Summers	
Peterborough Coalition for Social Justice	F-924
Ms. Joanne Bazak	
Ms. Linda Slavin	
Lennox and Addington Resources for Children.....	F-926
Ms. Pam Kent	
Quinte Symphony	F-928
Ms. JoAnne Watkinson	
Ms. Marilyn Lawrie	
Theatre Ontario.....	F-931
Mr. John Goddard	
Ms. Pat Gray	
Canadian National Institute for the Blind.....	F-933
Mr. Robert Hickey	
Ms. Karen Madho	
Council of Academic Hospitals of Ontario.....	F-935
Mr. Joe de Mora	
Great Lakes Society for Developmental Services of Ontario.....	F-937
Mr. Geoff McMullen	
Mr. Brian Davies	
Ontario Campaign for Action on Tobacco	F-940
Mr. Michael Perley	
Ms. Cynthia Callard	
Education Equality in Ontario.....	F-942
Mr. Geraint Jones	
Mr. Leonard Baak	
Ontario Association of Residences Treating Youth.....	F-944
Mr. Richard Solomon	
Ms. Andrea Rifkin	
Mr. Gord Moore	
Association of Ontario Midwives.....	F-947
Ms. Juana Berinstein	
Chicken Farmers of Ontario.....	F-949
Mr. Bill Woods	
Big Brothers Big Sisters of Canada.....	F-951
Mr. Puneet Luthra	

Continued overleaf