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Wednesday 17 December 2008

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des débats
(Hansard)**

Mercredi 17 décembre 2008

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
Greffier : William Short

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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 17 December 2008

Mercredi 17 décembre 2008

The committee met at 0902 in the Valhalla Inn, Thunder Bay.

PRE-BUDGET CONSULTATIONS ABITIBIBOWATER

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. The committee is pleased to be in Thunder Bay this morning.

Our first presentation will be from AbitibiBowater, if you would come forward, please. Good morning. You have 10 minutes for your presentation. The official opposition will be asking the questions for up to five minutes. I would just ask you to state your name for our recording Hansard.

Mr. Doug Murray: Doug Murray.

The Chair (Mr. Pat Hoy): You can begin.

Mr. Doug Murray: Mr. Chair, thank you for allowing us to speak today. I'll try to be to the point.

The government has implemented several key measures and strategies to help restore the competitiveness of Ontario's forest sector. Those are listed in my speaking notes. As you are aware, these programs have been used effectively by my company to continue operating in northern Ontario. Most of these strategies are scheduled to end shortly. Our challenges are far from over. These government strategies should be continued until we are through this latest financial upheaval.

With limited time, I wish to bring to your attention one item that is of very considerable concern to me as a large user of electricity, and that is electrical pricing. As part of the northern pulp and paper electricity transition plan, which ends in 10 months, the government stated that a demand reduction program would be put in place as an integral part of lowering power costs to industry. This was two years ago. As of today, we are still waiting for this program to be completed.

There are three components to this program. The original DR1 portion has been tinkered with and unilaterally changed by the Ontario Power Authority such that in September and October of this year, it was an ineffective tool in reducing my power costs. A demand response 2 program that was to replace DR1 and was supposed to be up and running by now is still under consideration. This program is the one that's right for my mill. The OPA has introduced a demand response 3 program, which has just

started in the last few months. So before ending programs such as the northern pulp and paper electricity transition plan, we need to ensure that replacement strategies suggested by your government are in place and are working, or we will not survive into the future.

Having a competitive electricity cost is essential for us to continue to operate. The attached bar chart in your handout shows purchased power costs by location of some of the jurisdictions that we work in in North America. In this chart you can see that the northern pulp and paper electricity transition plan is a green credit at the bottom, underneath Thunder Bay. It has lowered our power costs to the second-worst power costs in the areas that we do business with in North America. The mill that is in the highest region will be shutting down in December to balance supply versus demand as its costs are too high because of power. When I made this presentation to the finance minister, I stated that. I now have an update. As of December 4, this mill has now been idled indefinitely because of high power costs. The attached press release is located in the handout.

Our rates at Thunder Bay are the next highest. Other jurisdictions on this chart have demand response programs and industrial power rates. The province needs to join other jurisdictions in North America by creating industrial power rates to keep our manufacturing costs competitive. This was discussed with some policy advisers on November 24.

Also of great concern to me is that the Ontario Energy Board has approved a large increase in the regulated assets, effective December 1, 2008. Base hydro power, which is OPG's hydroelectric dams, will go from \$33 to \$38.78 a megawatt. Base load nuclear is going from \$53 to \$58.38 a megawatt. These changes will not impact the HOEP price, which is the hourly posted price, as this generation is bid in at lower numbers to ensure dispatch, but it will drive up the global adjustment component of our power bill. On the handout, you'll see the pieces that make up our power bill.

Why does the OPG, a crown corporation, need \$39 a megawatt to produce electricity from their large, stable, already-built hydro assets when other jurisdictions can produce electricity, deliver the electricity and operate and maintain their electrical grids for about the same cost as OPG says they need to produce the electricity?

The OEB also approved an 11% increase to Hydro One transmission rates earlier this year. Hydro One is

talking about another 9% or 10% increase next year. How can we justify increases like this in today's climate?

Also, the cap on the non-regulated OPG assets, such as the coal-fired boilers, is currently \$49 a megawatt and will expire in April 2009. The thought we have or the understanding we have is that it will not be replaced. This cap has been in place for three years. Is now the time to get rid of this, in the turmoil that we're in?

We also understand that OPG will be announcing a CO₂ premium on all fossil generation before the end of the year as part of the greenhouse gas strategy. This will definitely drive up HOEP prices.

The point is that the government has worked hard to help the forest industry, but these changes and some deficiencies in the existing government programs will continue to leave us on the edge of uncompetitiveness. Should we be changing power prices now, in the climate that's in the world today? Is OPG, a crown corporation, not profitable enough? My company is not profitable. Members of the finance committee, now is not the time to be taxing us by raising power rates. Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation. The questioning will come from the official opposition. Mr. Hudak?

Mr. Tim Hudak: Thank you. Chair, I'm going to split my time with Mr. Barrett because I know he has had a strong interest in forest sector issues.

Mr. Murray, thank you very much. It's good to see you again and thank you for your presentation.

A bunch of questions, and I know Toby has some, so I'll try to be quick. You do ask an important rhetorical question but I'd like to know if you have some insight into it, as well. When you're talking about the rate increases at Hydro One and the various ones through OPG, you ask, "How can the government do this? How much profit can they make?" What is driving those significant increases?

Mr. Doug Murray: My understanding is that there are some infrastructure issues that need to be addressed in the grid and some of the assets that we have going forward. As the province starts to look at how they will spend their money on replenishing and redoing Ontario, should we not be looking at spending money as part of infrastructure renewal on things? If we're talking about fixing the 401, fixing bridges, putting in sewers, shouldn't we also, then, be looking at power supply systems and the increasing population in southern Ontario and to the areas—and if the strategy is to get out of coal, then that's an infrastructure issue. It shouldn't be borne on the backs of the industrial sector. If we have to put in new power lines or fix existing systems—it's like sewers; those are essential systems for our business. We don't necessarily pass all of that on to the person who is using it at the end of the day.

Mr. Tim Hudak: You mentioned that you're waiting for the DR2 program that's well overdue. That was something you were interested in. Can you give me some more specifics about the DR2? And then Mr. Barrett will have some questions.

Mr. Doug Murray: The demand response 2 program—as part of the northern pulp and paper electricity transition plan that the government put in place a number of years ago, demand response was their key component to saying, "Here's a way to lower your electricity costs going forward." Demand response 2 would allow us, in my particular facility, to shut down our mechanical pulp mill, which is our TMP. It uses a lot of electricity from 8 o'clock in the morning to 12 noon, or from 12 to 4, or from 4 to 8. We would take our four-hour window out. That would help the system not have to buy demand power from other jurisdictions to keep the limit on the peak, depending on the busy times of the day. What would happen then is we would load-shift; we would shift our power consumption to night and on the weekends to avoid when the province uses high periods of power. If you can avoid buying that last 300 to 500 megawatts of power, you can clip off having to build certain power-sized generating stations and such forth, if you can control your demand. That is the key component on the Ontario Power Authority system.

0910

Last year, the contract came out as a draft, then was pulled off the website for a number of months, then came back on, then was pulled off, to the point that this October they told us, "It starts next week without a contract, but we'll start it." The second week came, and I said, "Where is it?" "Well, it's delayed another week." The next week came, and I said, "Where is it?" "Well, we're going to pull it; we'll get back to you." It has now been two years since we first introduced that program. My concern is that I talk to people at my head office and say, "Power rates are very high in Thunder Bay." "Yes, they are, but we have a demand response program coming." Well, I've been speaking about it for two years. It gets embarrassing after a while, when my superiors say, "Is it really going to happen?" Decisions are being made every day about what stays in business and what doesn't stay in business.

Mr. Tim Hudak: Chair, I think Toby had a couple of questions.

The Chair (Mr. Pat Hoy): We have about two minutes.

Mr. Toby Barrett: It's just a quick question, Chair.

The province of Ontario made a commitment to close all the coal plants in 2007. More recently, the Minister of Energy and Infrastructure has directed the Ontario Power Authority to investigate the use of biomass in coal plants, including the two large ones in the south. Do you have any thoughts on the feasibility of moving wood products—wood waste, pellets—to the coal plants in Ontario?

Mr. Doug Murray: There has been some consultation with us on this subject. We've met with OPG. We've had some brief meetings with the Ministry of Energy. I think there's a way for this to work, but we have to be careful that we don't drive the price of biomass up to the price of fossil fuel. Don't create a demand that now, all of a sudden, a tonne of biomass is the same as a gigajoule of

natural gas, which is the same as a barrel of oil, because then you'll kill the forest industry. If this mill had to run on natural gas or oil, we would be closed, because we couldn't survive. We have to be very careful that we work in conjunction with all the parties that are in business today to not create a demand for a product that drives biomass prices right up to fossil fuel prices, or we'll be in trouble.

Having said that, is there a way around it? Sure, there is. I think there's a way to make it work for everybody so that we can use some of the underutilized species in the forest, possibly lower the road construction costs and other issues, as we prepare to move that material to OPG. But we've got to be very careful that we just don't create a big sucking sound to southern Ontario with all our fibre and then drive us out of business. We can crank up electricity rates to whatever you want; I can't compete against that, if I have to buy my biomass, against the 800-pound gorilla called OPG.

The Chair (Mr. Pat Hoy): Thank you for your presentation

Mr. Toby Barrett: Chair, just further to Abitibi-Bowater: As many are aware, this company has had its assets seized in Newfoundland.

I wish to put forward a very brief motion for this committee:

I move that the province of Ontario commit to legislation prohibiting the seizure of assets of companies forced into restructuring or downsizing because of the decline in the provincial economy.

The Chair (Mr. Pat Hoy): We'll file that for report writing. I'll pass it on to the table here.

BRAIN INJURY SERVICES OF NORTHERN ONTARIO

The Chair (Mr. Pat Hoy): Now we'll hear from Brain Injury Services of Northern Ontario. Please come forward. Good morning. You have 10 minutes for your presentation. The NDP will be asking you the questions in this round. I'd just ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Ms. Alice Bellavance: Good morning, members of the Standing Committee on Finance and Economic Affairs. Thank you for this opportunity to present to you today. I'm Alice Bellavance. I'm the executive director of Brain Injury Services of Northern Ontario, affectionately known in this community as BISNO.

I'd like to thank the current government for the significant investments made to help provide the right services for people living with acquired brain injury in their home communities. They allocated an additional \$7.94 million. One million of that was allocated for spinal cord injury, which is also a neurotrauma injury, and BISNO is currently working with the Canadian Paraplegic Association Ontario to look at a possible partnership around neurotrauma services in the Sioux Lookout area. The \$6.94 million was for new ABI services for the fiscal year 2008-09. Some of that new funding was for a 2.25%

stabilization increase for ABI-funded community services, and the other increase of \$4.8 million is still to be distributed for new services. The intention of providing an additional \$0.5 million in subsequent years to improve local capacity, access and coordination that will be allocated to the LHINs will also address ongoing stabilization.

Many MPPs will have received letters from their constituents over the past month as part of the media awareness tour of the Ontario Alliance for Action on Brain Injury. They also acknowledge the commitment of the Ministry of Health and Long-Term Care. However, brain injury is not just a health issue: It impacts many ministries.

It impacts the new Ministry of Aboriginal Affairs: the high incidence and prevalence of brain injury in First Nations communities that have little to no capacity for appropriate services for acute/rehab—delivered in regional centres. So we have people having to move to Thunder Bay to access services.

Just to clarify: Our geographic boundaries for service delivery are from the Manitoba border to North Bay, from the American border up to Hudson Bay, so we're bigger than Texas. If people want really intensive 24-hour supports, they need to move to the city of Thunder Bay. Our eight-bed residential setting has had the same eight people in it since 2003. I haven't moved anybody out because there's no place to move them to. I now have 49 people waiting for those spaces. Of those 49, 24 are living with aging parents, and of those 24, 13 have just the one parent left, so if something happens to that parent, that individual is going to require care somewhere else.

We have a high incidence and prevalence, like I said, in the aboriginal communities. It's about one third of our business. When I started 17 years ago, we didn't have any referrals. So it's getting bigger.

The Attorney General: This ministry, along with four other ministries, is involved already with some work around the human service and justice coordinating committees, which is a good start to address the special-needs populations involved in the criminal justice system. Individuals with acquired brain injury are certainly one of those special populations.

The Ministry of Children and Youth Services: especially through child welfare, paying per diems to send children in care to acquired brain injury services in southern Ontario. These kids need to be repatriated. Further, parents shouldn't have to enter care by agreement with child welfare agencies to access these highly specialized types of care, and that happens too. We also, three years ago, had to send a young man to Texas, who currently is still there. He has aged under the child welfare system, and we're paying big money, cross-border shopping again for acquired brain injury services.

The Ministry of Community and Social Services: the income maintenance programs such as Ontario disability and Ontario Works. Many individuals living with the effects of acquired brain injury live in poverty, and I'm

not going to speak to the issues of poverty; there may be others who present on that today. It's also one of the four ministries involved with the justice coordinating committees.

Community Safety and Correctional Services: one of the ministries involved in the justice coordinating committees.

Economic Development: Expanding community infrastructure would create jobs in construction and also employment in expanded programs. We're certainly hoping that the Second Career initiatives would attract more men to work in our sector because, again, disproportionately men are represented in our client population that we serve.

The Ministry of Education: Acquired brain injury is not an exceptionality under the Education Act, and that means children with acquired brain injury are quite often poorly served in our schools.

The Ministry of Finance oversees auto insurance, which has undergone significant changes in the past decade and a half. In all the years that I've worked in brain injury I think I've seen four iterations of it. Some of them have been good and some of them haven't been so good. They also have implications for publicly funded services, then, because if they can't access med rehab dollars through auto insurance, they have to do it on the public nickel.

0920

The Ministry of Health and Long-Term Care, of course, is viewed as the primary ministry responsible for acquired brain injury. The Ministry of Health Promotion focuses on prevention, and there needs to be more invested. The old adage of "An ounce of prevention is worth a pound of cure" is really critical in this field. It's now estimated that the life-long cost of supporting someone with a severe brain injury has escalated up to \$5 million from \$3 million when I started working in the field 17 years ago, so that's a significant increase.

The Ministry of Labour oversees WSIB, and in northern Ontario we see a higher incidence and prevalence of work-related injury resulting in acquired brain injury due to the type of work that's done here in the north, both in mining and forestry, even though the forest industry is taking a huge hit these days. Injured workers are often denied benefits because the symptoms resulting from brain injury are often deemed as pre-existing or non-compensable. This places pressure on the public sector to serve injured workers who should receive their benefits through WSIB.

The Ministry of Municipal Affairs and Housing provides infrastructure, and developing barrier-free housing is absolutely critical. We need another Project 3000 like we had in the early 1980s. This saw the development of specialized housing, along with the support dollars for the services that were required.

The Ministry of Northern Development and Mines could be involved in providing some capital support also around economic development.

The Ministry of Training, Colleges and Universities: There needs to be improved education in all the pro-

fessional domains that would have contact with individuals and families impacted by acquired brain injury. It's absolutely amazing that there are still medical practitioners and regulated health professionals who really don't understand the implications of acquired brain injury and how that affects individuals.

I believe the government has an opportunity to develop a comprehensive—oh, I missed the Ministry of Transportation. How could I forget them? Some 50% of acquired brain injuries are still traffic-related, and that has to do with better road construction, better legislation around enforcement for drinking and driving. Some of those things have improved over time, but more work still needs to be done. The Ministry of Transportation also regulates all of the off-road equipment that's out there in terms of ATVs and snowmobiles and boating. Certainly there have been some improvements there but, again, more needs to be done. In northern Ontario, we work hard, we play hard, but it also gets us into a little more trouble.

Like I said, I believe the government has an opportunity to develop a comprehensive provincial strategy to address the ongoing implication of acquired brain injury on this province and its citizens.

This government completed the repatriation of Ontario citizens from the US with the development of two highly specialized programs that were developed in southern Ontario. We need one in the north. We need to repatriate First Nations people closer to their home communities, in an area like Sioux Lookout, since it is already a hub for many of our most northern and remote First Nations communities.

We have an outstanding proposal to develop such a highly specialized, rural residential program for 12 individuals. It would require a one-time capital investment and then it would also require ongoing operating dollars. This would still not address the needs, but it would make significant inroads. In the past year, I've had some consultation with aboriginal service providers in the region and also with the Meno-Ya-Win Health Centre in Sioux Lookout, and they support that we focus on developing this project in Sioux Lookout.

We have had a significant increase in referrals from remote northern communities, and upon completion of rehab they are unable to return home. Individuals from as far away as Sandy Lake have had to make Thunder Bay their home—or, in the case of child welfare, southern Ontario. Visits require flights from Thunder Bay to Sioux Lookout and then home. These flights are very expensive, even more so than flying from Thunder Bay to Toronto. Siting this project in Sioux Lookout would bring individuals closer to home, and they would also be residing in a smaller community versus a large urban setting like Thunder Bay.

Today I would also like to present an opportunity for BISNO to offer a partial solution to the ongoing alternate-level-of-care crisis in Thunder Bay. As of January 1, 2009, we could have access to a five-person cluster unit through Thunder Bay District Housing Corp.

We submitted a formal submission, under the aging-at-home strategy, to the North West Local Health Integration Network; however, it was not funded. We would require \$650,000 in annualized dollars to support five individuals who require intensive 24-hour supports.

I mentioned earlier that we had 49 people on the wait-list. I just did this last week, but we approved four new people to our wait-list, so that's why the number is now 49. Of those individuals that we could support in this five-person unit, three of them are currently being supported at St. Joseph's Care Group, one is on the forensic unit at Thunder Bay Regional Health Sciences Centre, and another individual is inappropriately placed in a long-term-care facility. I've already identified where the rest of the people are living. Nine individuals are also being supported in another sector, the developmental services sector. That's funded by the Ministry of Community and Social Services. So this is an area where negotiation would need to happen between two ministries. And it doesn't happen at the local level here; it needs to happen at Queen's Park, because it means transferring resources between one ministry and another.

The Chair (Mr. Pat Hoy): You have about a minute left.

Ms. Alice Bellavance: Okay. I think I'm getting to the end too.

The other nine individuals are being supported in other facilities like St. Joseph's Care Group, North Bay Psychiatric Hospital, Penetanguishene; there's an individual in Kirkland Lake district hospital, and many are also placed in long-term-care facilities—so, people who are in their 20s, 30s and 40s in long-term-care facilities.

These, of course, are congruent with Tom Closson's report. He was a special adviser who had been retained by the previous Minister of Health, George Smitherman. I'm not going to specifically read all the recommendations that he made with regard to the restructuring of health services in northwestern Ontario, but I will speak to when the Honourable George Smitherman, Minister of Health, was in town in August 2007 regarding the Centre of Excellence for Integrated Seniors' Services. He made the following commitment for the care group in terms of 336 long-term-care beds, 132 supportive housing spaces, enhanced community services for 120 new clients, increased community care access services for 30 clients, and enhanced supportive housing units.

This certainly addresses some of Closson's recommendations; however, it only relates to seniors. It does not meet the needs of individuals affected by acquired brain injury or the physically disabled. It is our hope that consideration of our request would begin to address some of these needs for those with brain injury. Hopefully you will hear from Hagi Community Services for Independence for individuals with physical disabilities. Thank you.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will come from Mr. Prue of the NDP.

Mr. Michael Prue: Thank you very much. You've written here, and spoken about, "an outstanding proposal

to develop a highly specialized, rural residential program for 12 individuals...." How far is that? Has that already received planning process?

Ms. Alice Bellavance: No. It's on the radar screen. That's as far as it has gotten.

Mr. Michael Prue: So it's not ready to be built, or ready?

Ms. Alice Bellavance: Well, if we had the funding, then we'd get on it. But you don't spend money on getting that kind of work done unless you get some commitment.

Mr. Michael Prue: When was this made? When was this proposal—

Ms. Alice Bellavance: The proposal was written 10 years ago already.

Mr. Michael Prue: And there has been nothing forthcoming in the 10 years?

Ms. Alice Bellavance: No.

Mr. Michael Prue: How long do you think it would take, if the government were willing to give the money, for it to be up and operating? The reason I'm asking this is that there is likely to be a great deal of infrastructure money being made available across the province because of the recession, and I'd like to make sure that Sioux Lookout—the north—gets some. How long do you think it would take for a shovel to go in the ground?

Ms. Alice Bellavance: For a shovel to go in the ground? If we were to get an approval at this time of year, I would expect we could get a shovel in the ground within a year. I have someone working on some tentative drawings and things like that, just so that we have a bit of an idea. I certainly have a vision of what it needs to be and what it needs to look like. It would be very similar to what we already have, so it's not like we're starting at square one.

Mr. Michael Prue: For 12 individuals—this would only cover about a quarter of all of those you need to cover.

Ms. Alice Bellavance: That's right.

Mr. Michael Prue: What other communities might you look at as well as Sioux Lookout? Where else do you think they should be appropriately housed?

Ms. Alice Bellavance: If we had additional resources—right now, we have one full-time worker on the ground in Kenora and we certainly have enough business to make it two full-time positions in Kenora. We certainly could have a full-time position in Fort Frances, Dryden, Red Lake, probably a part-time position in Atikokan and some of the smaller communities. But we could easily have enough work for probably half a dozen full-time equivalents in our smaller communities just west of here. I haven't even started talking about the ones along the North Shore in terms of Geraldton, Long Lac, going into Manitowadge and Marathon. There are some long-term supportive housing spaces offered through the Ontario March of Dimes in Sudbury, but again, if they're really complex, multi-jurisdictional individuals, they come to us because we're the only transitional centre in the north.

0930

Mr. Michael Prue: And not only the workers that would be there—all of them could use new facilities?

Ms. Alice Bellavance: Not necessarily all of them need new facilities. Of the 200 people that we serve right now through BISNO, 14 are in 24-hour residential-care settings. The rest are living at home, either in their own apartments with regular support, or they're living with family, or they may have informal supports through friends and some other generic service providers—like if they need homemaking support through the CCAC or attendant care support through an organization like Hagi or through NILS, which is in the Kenora-Rainy River district. We certainly partner with an awful lot of agencies to deliver a comprehensive package to individuals.

I know that a number of years ago we did a position paper that if all of the community support service agencies with the Ministry of Health had to deal with their extensive waiting lists for the programs in the district of Thunder Bay, we were going to need an additional \$20 million of annualized operating. For BISNO to deal with everybody on the waiting list—I'm talking about 49 people who are waiting for 24-hour supports; we also have about 60 people who need community-based supports or outreach supports. For us to meet the demand for all of the people on our waiting list, we would need annualized money of \$6 million a year, to serve everybody.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Ms. Alice Bellavance: Thank you.

CITY OF DRYDEN

The Chair (Mr. Pat Hoy): Now I'd ask the city of Dryden to come forward please. Good morning.

Ms. Anne Krassilowsky: Good morning.

The Chair (Mr. Pat Hoy): You have 10 minutes for your presentation. Questioning will come from the government in this case, up to five minutes. I would just ask you to identify yourself for our recording Hansard.

Ms. Anne Krassilowsky: Mayor Krassilowsky, from the city of Dryden. Mr. Chair and members of the standing committee, I thank you for the opportunity to address you this morning.

I am not sure if you all know where our city is. We're a small city of approximately 8,100 people. We were a little bit more, but due to the forest industry crisis we are less. Certainly, the impact of the manufacturing downturn in the auto sector has been with northwestern Ontario and the city of Dryden for many years, for several years now, in the form of the forest sector crisis.

Interjection.

Ms. Anne Krassilowsky: Sorry. I don't have a very loud voice.

As I've said, we are a relatively small community, a small city, with pulp and paper having employed 1,200-plus jobs, and we are now down to 330 jobs. We have a

paper-industry mill with only pulp creation at this moment. We need to hang on to those jobs.

The budget that you bring down and your minister will bring forward needs to support the entire manufacturing sector. We understand that, but we ask for an extra level of support to communities that are single-industry dependent.

In this month we have the MPAC reassessment for our mill, and it has gone down from \$65 million to \$50 million. That was before we lost our paper machines. As you know, we've had the recent announcement of 195 fewer jobs in our community. Multiply by that by families and indirect and direct business, and it is devastating to the community. Domtar of course is appealing that assessment, and I imagine, with the extra loss of 195 jobs, there will be some impact more and an increased impact to our community.

We are already investigating and looking into a special assistance grant from the Ministry of Municipal Affairs and Housing to help us in this transition, because the loss of municipal tax revenue is expected to exceed \$1 million. That's huge dollars for a community of our size. We are looking at a capital budget that includes projects funded strictly from the Investing in Ontario Act. There is no extra money to do anything else.

Our policing costs are huge; they are growing with the devastation in the community. Our health care needs are growing, and we are also looking at the homes for the aged capital levy, which will increase as well.

Our city's critical infrastructure project is a \$30-million waste water treatment plant. When we started our applications, we were probably between \$18 million and \$21 million. We did COMRIF one, COMRIF two and COMRIF three. We have now applied under the BCF communities component, and we are really hopeful and trusting that we will be considered this time around.

I also urge that the BCF communities component money be increased substantially and that it move forward as quickly as possible so that we can stimulate the construction and the growth in our community of jobs that we have lost. I can't urge you enough on that point. The current band-aid approach that we have to fixing our waste water treatment is draining money, again, from the community and it is investing good after bad. It's just not a way to go.

We appreciate the OMPF guarantee, but we understand it is only at the point of 2007. Costs have increased substantially since then. We did receive \$177,000 in additional OMPF police funding in 2008, but our police needs are going through the roof. We also have an increase, from northern communities, of young people in our community. We have eight group homes, which was a surprise to us; we were not consulted. We appreciate the fact that we're able to have those homes. At the same time, they're addressing our police costings in a way that just takes them through the roof for our community. We also need something that enhances their growth in our community. We have young people who are without a youth centre. We have people in the community now

with not a lot of after-hours parenting and no support of premise. Without that, that's only going to continue to increase, and it does not help the young people.

The uploading of services on Ontario Works and court security is a fairness issue, and we appreciate how important that is to the north. It also needs to be moved up. Again, those costs are going through the roof and we cannot continue to support that without expense to the community. Loss of mill revenue means the city has to consider significant service-level costs. Our tax increases are very difficult to pass on when so many in the community are unemployed. We have actually asked council for, and council has recently supported, a wage freeze in our community. We have, in fact, one whole department in our hospital where their spouses have lost their jobs at the mill. If they lose and have to move on, then we have a hospital without the necessary support to that department. It's huge. The impact from the forestry crisis, from the restructuring in the mill, is no less than the auto sector. I can appreciate, as I'm sure you can, that if you lose your job through auto, through forestry or for other manufacturing, the result is devastating.

I ask that money be invested in better training for our laid-off workers in order to keep the population base across Ontario. Forestry workers affected need to be retrained as soon as possible, as they do in the auto sector and other indirect job loss. If we continue to depopulate, our economy will shrink, and support from all levels of government will also need to be increased.

We are looking at strategic investment by the province in areas such as mining, MNR and local services like our airport in order to stimulate private investment. Our airport supports health, fire—all of those necessities in the far north. We help a lot across the north. We are a very important regional fire centre, and although that helps us support our airport, we feel that there should be provincial support and federal support as well in the airport for the services that we provide.

Mining is a key growth industry across northwestern Ontario and almost across Ontario in the north. We are working under 1940 geoscience mapping. We ask that you make that current. That is so old. It's like our hydro lines. They are so old; they're antiquated. A lot of our communities are suffering from loss of power. If you're going to increase manufacturing, if you're going to look for any other jobs that support your community—without power you can't do it. You cannot rob the community that is already suffering to support—probably we've swung to the NOMA side, so I'll back up. We support AMO's recommendations in regard to infrastructure projects and funding. We need that to happen now and we will deliver the same message to Minister Flaherty as we move forward.

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Our policing family stress, our commuting families who are kissing their kids goodbye from thousands of miles away, the destruction to the family, the health care costs—social, physical and mental—are going to rise considerably across not only Dryden but northwestern

Ontario and probably across Ontario. We need to keep our people working and we ask you to do that by moving funding and projects forward as soon as possible.

Certainly, our appreciation to Minister Duncan for coming to Thunder Bay—and making our access to this committee possible to lessen travel costs for all of our communities. Thank you.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will go to the government, Mr. Arthurs.

Mr. Wayne Arthurs: Your Worship, good morning.

Ms. Anne Krassilowsky: Good morning.

Mr. Wayne Arthurs: It's good to see you here. Thank you for taking the time. I'm going to ask you just three questions and you can pick and choose the amount of time you want to spend on any of the three or all of the three, as the case might be, in the five minutes that we have.

If we're looking at principally single-industry towns—any suggestion you would have on any specific way or any specific enhancement that would be of benefit in the relatively short term, the next couple of years, as an example?

Secondarily, the only capital investment you can do this year is invest in Ontario—I think that's what you were saying—and the Investing in Ontario Act allowed you to do some capital work. What will your priorities be for your 2009 budget, then, within that small envelope, given the size of the municipality?

Three, how significant does policing remain from the standpoint of needing further resolution? Over the years, we've dealt—sort of a one-off—with one or two communities in northern Ontario where policing was literally breaking their backs. I wouldn't suspect it's very much different for Dryden, but I'm not sure.

Any or all of those three, in the little bit of time we have, would be appreciated.

Ms. Anne Krassilowsky: Is it possible, I guess, to share a part of the provincial resource-sharing of funding, of those resource taxes? Because it is difficult to operate the way we are right now, and that's a possible solution to some of our concerns—probably in answer to your first question. Do we look at an income tax structure? Do we look at things of that nature that would certainly benefit all of the communities across northwestern Ontario, not only Dryden?

The Investing in Ontario Act funding: We have a leaking roof on city hall, as many of the municipal structures have across the northwest. We have to fix it. It's deteriorating to the point that you have to invest in it; there's just no other way around. So a lot of that Investing in Ontario money went to restructuring and refurbishing, if you will, of a lot of the municipal assets.

Policing costs: How do we solve that? I didn't quite hear your question.

Mr. Wayne Arthurs: I know it's a significant and ongoing issue. Over the last few years, there was a point where I think we found some resolution on a one-off basis for one or two municipalities, if I recall. But, none-

theless, how significant does it remain? Would it be a priority, from the standpoint of your budgetary capacity as a municipality, to deal with that item as opposed to any other? If you had to pick one—there's certainly not one fix for this problem, but would it be the highest priority or are there others that are more important?

Ms. Anne Krassilowsky: It's almost an unanswerable question, but when you look at the fact that last year alone—and I do sit on the police service board for Dryden—we were probably \$300,000 over budget, that's huge. But the cost, as I say, of the group homes and of keeping our children better activated than finding their way to the jail is certainly a prime concern to our city—the destruction that could come from that, the stress on the families who are already existing in the community. Where do we put the money? It's just an almost unanswerable question. So much is a priority, but policing costs are definitely a must.

How do we ask? We are, of course, asking them to look at a wage freeze as well. I don't know how that's going to work, and we don't know how that's going to come out with the unions, but certainly the non-union staff are going to be forced to go there.

Mr. Wayne Arthurs: It would appear that at least the Investing in Ontario money is going to be spent very locally if you're doing municipal restructuring, such as the roof on a city hall. You're going to be able to employ local folks to do some of that work through local contractors, I assume?

Ms. Anne Krassilowsky: Unfortunately, it's a rubber membrane roof, and of course that has to come from Thunder Bay. So it helps Thunder Bay, I guess.

There are some things we can do and there are a lot of things we can't. We still have to maintain the roads as they are today. We know what that costs us in snow removal. I'm sure you can appreciate that more and more every day. All of those costs still exist. We have those jobs that are in place, and how do you take them away from the regular service to the community and ask them to do other—that they may not have the skills to perform.

Mr. Wayne Arthurs: Chairman, I have a 10-second commercial, if I could.

I'm sure you know the Bourre family in Dryden, with a small community. Farrah, one of their children, was an employee of mine. If you have a chance to say hello to the family for me, I'd appreciate it. Thank you.

Ms. Anne Krassilowsky: I certainly will. We have a lot of people from Dryden who find their way around the world.

Thank you so much for the opportunity.

The Chair (Mr. Pat Hoy): Thank you for your submission.

ONTARIO ASSOCIATION OF OPTOMETRISTS

The Chair (Mr. Pat Hoy): Now I'd ask the Ontario Association of Optometrists to come forward, please. Good morning. You have 10 minutes for your pres-

entation. There could be up to five minutes of questioning, and this time it will come from the official opposition. Please state your name, then you can begin.

Dr. William Ulakovic: Good morning. My name is William Ulakovic. I'm the current president of the Ontario Association of Optometrists. I'm in private practice in Thunder Bay. I welcome the opportunity to come today to make a presentation to you. I'll also say hello to Michael Prue, who I met at our Queen's Park event a couple of months ago. Hi, Michael.

Certainly, I know the course of your presentations today will be not unlike the previous presenter from Dryden, with respect to the forest industry and mining and the economic impact that it has on northwestern Ontario. My presentation today is quite different. I'm happy to say we're not here to ask for any money, but I would like to just take a few minutes to bring this committee up to date on health care and optometric care for Ontario.

We have three issues that I've handed out to you today. Some of you—certainly Michael and the other members who have been supporters of optometry—are familiar with the diabetes strategy that the government currently has in place. We'd like to see—

Interjection.

Dr. William Ulakovic: Sorry?

The Chair (Mr. Pat Hoy): We're having some folks say they can't hear you very well. Could you get a little closer to the microphone?

Dr. William Ulakovic: Oh, sure.

The Chair (Mr. Pat Hoy): We'll try to adjust that over the time—

Dr. William Ulakovic: I can certainly speak louder if I need to.

The Chair (Mr. Pat Hoy): It's helping. Go ahead.

Dr. William Ulakovic: Thank you.

Not to reiterate, but I'm only here today to bring some of the members of this committee who aren't as familiar with optometric care for the patients and people of Ontario up to date on three different strategies and ongoing concerns that we have with the sitting government.

A diabetes strategy is currently in place for us, as practitioners, to provide ongoing optometric care—eye care—for diabetics. We have a significant number of diabetics in northwestern Ontario, particularly in the aboriginal population. Some days in my practice, I spend half a day seeing patients who are diabetic, and we're happy to provide that care. Currently, diabetics in Ontario are covered for annual examinations outside of the OHIP and we'd like to ensure that that is kept on an ongoing basis.

The second issue is really an issue that has been ongoing. I know some of the MPPs at the table have been constantly bombarded with requests from optometrists in their own municipalities with regard to TPA regulations. We've been promoting TPA regulations to the government for the last—certainly as long as I've been in practice, which has been 20 years now. Bill 171 has been passed to allow optometrists to prescribe for treatment of

eye disease. It's a huge issue for us in northwestern Ontario, particularly in communities like Dryden and Kenora, where there is only care provided by optometrists for any eye care needs. The TPA regulations that have been passed are still sitting waiting for final approval, and in order for our College of Optometrists of Ontario to put these regulations into play, they have to continue to be expedited through the government process. It's an issue with respect to saving costs and it's an issue with respect to reducing waiting times in hospital emergency rooms and physician care. All of these needs can be met efficiently and certainly in a more timely basis by patients visiting their local optometrist in these communities, not only in northwestern Ontario but across the province.

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I urge all of you, if you have any input or are following up on the TPA regulation, to ensure that that is passed in a timely manner. We've been waiting a long, long time for that, and so has the public of Ontario.

The third and final item I'd like to bring to your attention is as a result of some of the economic downturns in Ontario. Some optical retail outlets have been providing free eye exams in order for their customers to purchase eyeglasses. This is an illegal activity. It's not going on in our area of Ontario, but it does go on in some of the GTA and greater Horseshoe area. We're concerned that the public is being put at risk by going into an optical store to have their prescription checked so that they can buy a pair of glasses. These certainly are not comprehensive ocular health examinations, and we have some concerns that there is going to be risk to the public by misdiagnosis and by missing eye diseases which would only be picked up on a comprehensive eye exam by either an optometrist or a physician.

Those are my three points. I appreciate the time that you have today. I know you have a full schedule. I'm not here to ask for money. I just wanted to bring you up to date on where optometry is in Ontario. I'd be happy to take any question.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the official opposition, Mr. Barrett.

Mr. Toby Barrett: Thank you, Doctor, for presenting on behalf of the optometrists. You've indicated that in June 2007 the legislation was passed as part of the Health System Improvements Act. We're almost into 2009; what would be the holdup? I assume there's a fulsome package of regulations sitting there. They've probably gone through additions and deletions and any changes. What has happened since June 2007?

Dr. William Ulakovic: The regulations have been passed. The stakeholders have all approved. The OMA and all of the other stakeholders have had no issues—pharmacy etc. So those have all been passed into regulation. My understanding is that HPRAC is currently undergoing a non-physician prescribing survey or—

Mr. Toby Barrett: Which group is that, sorry?

Dr. William Ulakovic: HPRAC, the health professions regulatory—and they are concerned right now with

respect to prescribing drugs in terms of lists or schedules. We have put in our regulation that we would like drugs to be authorized in terms of a schedule. In other words, we would like a schedule of drugs for glaucoma treatment. If it is put into a list of glaucoma drugs, those drugs change almost sooner than the list is finalized, which means having to go back and reapply for a new drug every time one does come out. So a schedule of drugs is the way to go. Unfortunately, nurse practitioners have lists of drugs, and they're very unhappy with that because it does handcuff them. When new hypertensive drugs come available, they can't use them if they're not on their list. I think that's what the holdup has been right now, to my understanding.

Mr. Toby Barrett: You mentioned the free eye tests. My father-in-law was an optometrist, and my optometrist, Dr. Yoshimura in Simcoe, has what seems like a very comprehensive office with the technology—a fairly newly established practice. What is the difference between that kind of office and an office run by an optician—is that the term?

Dr. William Ulakovic: Yes.

Mr. Toby Barrett: What's the difference? I haven't been in the other office.

Dr. William Ulakovic: Sure. An optician certainly works within the same community that the optometrist and ophthalmologist work in. The optician provides glasses based on a prescription provided by an optometrist or an ophthalmologist, in order to fill it for eyeglasses or contact lenses. An optician is not a regulated body that can provide an eye examination. Although it's in the public interest that they can do an examination to determine a prescription for glasses, they can't prescribe those findings unless it's verified by an optometrist or a physician.

Mr. Toby Barrett: Do they have equipment in their facilities?

Dr. William Ulakovic: Well, they can purchase equipment that's similar to what optometrists and ophthalmologists use, but they're not allowed to prescribe from the findings of that equipment, and that's what's happening in some of the areas across the province.

Mr. Toby Barrett: Mr. Hudak may have a question.

Mr. Tim Hudak: Yes. Thank you to my colleague, Mr. Barrett.

Just following up on his questions around the TPA regulations, have the optometrists calculated the potential savings to the Ministry of Health budget from allowing this new scope in services?

Dr. William Ulakovic: Yes, we have, and we've been doing that for the last 15 years. It really impacts hugely on the emergency care at hospitals right now, where patients are going in for the treatment of eye disease that could be quite easily—

Mr. Tim Hudak: Could you give us a rough estimate of what the savings would be to the budget?

Dr. William Ulakovic: I don't have the numbers in front of me. I certainly can get that if you wanted.

Mr. Tim Hudak: If you don't mind, through our clerk, and he can distribute that to the committee members.

Dr. William Ulakovic: I'd be happy to give you that. We have updated information from the last fiscal year.

Mr. Tim Hudak: If you look at your colleagues in other provinces, is that scope of practice typical, is it more advanced, or are we still behind other jurisdictions?

Dr. William Ulakovic: In terms of optometric practice?

Mr. Tim Hudak: Exactly.

Dr. William Ulakovic: While our University of Waterloo school of optometry is certainly in the forefront of optometric education in North America, the only thing that really is holding back the scope of practice in Ontario is the regulations that I've just described to you. Every state in the United States has had TPA regulations passed for several years. Half of the provinces in Canada have had TPA regulations passed for their optometrists to be able to treat eye disease. Ontario is lagging behind in that regard.

Mr. Tim Hudak: So it's a catch-up measure, which I guess re-emphasizes the importance of getting those actually into practice.

With respect to the diabetes strategy, we've had a number of deputations from different health care providers on the importance of pursuing that. To your recollection, has there been money actually set aside for the optometry role in the diabetes strategy, or do you need new funding allocated through the upcoming budget?

Dr. William Ulakovic: There are two answers to that question. We do have coverage, as I mentioned, for diabetics within the OHIP scheme on an annual basis. They have coverage for that. There is a new diabetes incentive that is currently being negotiated through the government and the Ontario Association of Optometrists that will provide extra funding to ensure that diabetics are recalled on an annual basis and are followed up on an annual basis. That funding is currently in place; it hasn't been approved. We're in negotiations with that. We're hoping that this is going to come to fruition and continue on a yearly basis.

Mr. Tim Hudak: Do you know the approximate level of funding?

Dr. William Ulakovic: It's \$600,000.

Mr. Tim Hudak: Okay. Thank you.

The Chair (Mr. Pat Hoy): And thank you for your presentation.

Dr. William Ulakovic: Thank you very much.

The Chair (Mr. Pat Hoy): I remind members that your BlackBerry's near to the microphones are causing havoc for those with headphones on, so just keep them away from the microphones if you can. Off is preferable.

KINNA-AWEYA LEGAL CLINIC

The Chair (Mr. Pat Hoy): The Kinna-aweya Legal Clinic—I see you are seated. You have 10 minutes for

your presentation; there may be five minutes of questioning following that, put to you by Mr. Prue of the NDP. I would just ask you to identify yourself for our Hansard recording.

Ms. Sarah Colquhoun: Thank you. My name is Sarah Colquhoun and I am the coordinator of legal services at Kinna-aweya Legal Clinic.

Kinna-aweya Legal Clinic is funded by Legal Aid Ontario to provide poverty law services to low-income residents of the district of Thunder Bay. We focus primarily on income maintenance issues and tenancy matters. In addition to providing summary advice and ongoing casework, we provide community legal education and do community development and law reform work towards systemic solutions for the problems that our clients face with respect to the social assistance system and housing issues.

Our clients are for the most part people who are struggling to survive on social assistance in Ontario, a struggle that is becoming more and more desperate. Social assistance recipients are not a vocal constituency. Because of the demonization of people receiving public assistance in the past, many recipients are deeply ashamed that their circumstances have forced them to rely on welfare or disability benefits. They have internalized the myths that have become prevalent in our society, that people on welfare are simply lazy or need to be motivated by compulsory work-for-welfare schemes.

Most people who are struggling day to day to pay the rent and feed their kids don't have much energy left to be political. They are not in a position to speak publicly about the debilitating effects of trying to cope with not having enough money to meet their basic needs.

Our office therefore welcomes this opportunity to speak on behalf of our clients and to urge the government to recommend a significant increase in spending on social assistance and housing in the coming budget.

We are very pleased that this government has brought the issue of poverty back onto the political agenda and is committed to a comprehensive poverty reduction strategy. The recent report of the cabinet committee on poverty reduction, *Breaking the Cycle*, contains many positive initiatives, and we are encouraged by the government's commitment to deal with the issue of poverty in a comprehensive and proactive way.

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But social assistance recipients cannot wait for the process of developing programs to break the cycle of poverty, such as the suggestion—which is a great suggestion—of summer job programs for kids in targeted neighbourhoods. That's a great long-term strategy, but people on social assistance need more money now. It will not be possible to develop a useful poverty reduction strategy in the context of hopelessly inadequate social assistance rates. I'd like to spend just a few minutes talking about the amounts of money that people get on social assistance these days.

Nobody chooses to be on social assistance. It is an income of last resort; it is the bottom of the safety net.

People are on assistance because they've lost a job, they've lost their spouse, they are ill, they are living with a disability. Program changes have tightened eligibility requirements, and there are now many people who have no income or assets but still are not eligible for social assistance benefits.

Everybody who is receiving benefits has been through the process. They have been screened; they have provided all the documents. They are eligible for assistance and they need assistance, but they don't get enough money to meet their basic needs. The amount that a single employable person receives is not enough to pay rent and buy food, let alone any other necessities such as clothing and transportation. It is not a matter of budgeting more carefully; the amount of money that people receive is simply inadequate to meet basic needs.

The 2% increase—it's very misleading to talk in percentages when you're talking about such small dollar amounts. There was a 2% increase in November. For me, a 2% salary increase is great; I'm pleased about that. But for a single person on social assistance, in terms of actual dollars, you're talking about \$12 a month with a 2% increase. And interestingly, it is the exact same dollar amount that a 2% increase was last year, because the amounts are so low that the 2% increase isn't any more, in terms of dollars, than it was last year.

The amounts are hopelessly inadequate when you compare them to the actual cost of shelter. Even just a room by the month in a rundown hotel in Thunder Bay costs more than the maximum amount for shelter that a single person receives. So everybody, unless they are in rent-gated-to-income housing, has to pay some of their basic needs money for shelter. And the basic needs amount is so low. For a single person, it's \$216 a month for everything other than your shelter.

It's important to remember that we're talking about people who everybody agrees need to be on social assistance. We're proud, in our province, that there is a social safety net to protect people who are temporarily out of work, who have barriers to finding employment, who have not much formal education, perhaps, or have disability issues. They are doing what they're supposed to do in order to find work. They might be unable to work for a period of time because of health problems. Everybody agrees that these people need help, and we are proud in our province to have a program that provides assistance to people. People who have to rely on social assistance should get enough money to pay for the necessities of life.

There needs to be a significant increase in the social assistance rates. It is not enough to deal with these sadly inadequate rates through programs like the rent bank for emergency rent, and the utility fund. Those are important programs to have in place, but we shouldn't be relying on them and expect that people are going to have affordable, sustainable housing because there's a rent bank so that if you fall behind for a couple of months, you can, one time in two years, go and perhaps get some money—if they have any money left in the budget, which frequently they don't.

Decreasing the number of families living in dire poverty would positively affect the budget in many other ways. Poor people have more health problems. Children living in poverty have more challenges in the education system. People end up in the criminal justice system because of poverty.

Social assistance recipients would die without food banks and soup kitchens and emergency shelters. This isn't because they lack budgeting skills or are frivolous with their money. It is because they don't get enough money to allow them to eat every day.

People with disabilities who have managed to navigate the treacherous application and adjudication process of the Ontario disability support program are initially thrilled at the increase in their income. So that single person who was paying \$450 a month with a cheque of \$572 on Ontario Works now will be receiving \$1020, and for the first little while they're thrilled, until they realize that the amount is still thousands of dollars less than the basic poverty line. They're basically sentenced to a life of living in poverty once there's a recognition that they probably will be on benefits in the long term.

The minimum wage is an important part of this whole piece. It's not enough just to raise social assistance rates, but the minimum wage needs to be increased to a level that will allow people to work full-time and support themselves. At this point the minimum wage, if you're working full-time, is only two thirds of meeting the basic poverty line. In 1976 it was only 10% less than the poverty line. So in 1976, if you were working full-time at minimum wage, you could pay rent, buy food and have transportation, and no problems. These days, you're probably still eligible for a top-up from social assistance, because the minimum wage is too low.

The lack of stable, affordable housing is a serious problem for low-income people. We're delighted that this government is recognizing that an affordable housing policy would be a cornerstone of the poverty reduction strategy, but we need affordable housing units now in every part of the province. Again, the rent bank provides one-time assistance to tenants who have fallen into arrears. It's an important program to have for people who have a crisis and end up using their rent money for something else, but it doesn't do anything to provide adequate, affordable housing and it shouldn't be the basis of trying to maintain people's housing. It's supposed to be an emergency program. People should be getting enough money each month to pay their rent.

We know that the federal government should be taking a lead in developing a housing policy across the country and providing additional funding, but it's essential that the provincial government move ahead regardless of the involvement of the federal government and also that the provincial governments put pressure on the federal government, not only in terms of the lack of a federal housing program, but also employment insurance, which is a federal program that has a huge surplus. Instead of paying benefits to people who are out of work, they have a huge surplus in the program that they just apply to

general revenue, which is extremely unfortunate and would go a long way to helping provinces be able to afford better social assistance programs, if people who should be getting employment insurance were receiving it.

The Chair (Mr. Pat Hoy): I'll just remind you that you have about a minute left.

Ms. Sarah Colquhoun: I'll just finish by saying that at the poverty reduction strategy meeting, when they were going around the province in the spring, Minister Matthews said that poverty is a difficult, complex problem that's not going to be solved "just by throwing money at it." My response to her, then and again, is, how do we know that? Nobody's tried to solve poverty by throwing money at it, by just increasing rates up to where they should be. If people get enough money to pay rent and buy groceries, they don't need to go to food banks; they may not need, as often, to go to emergency shelters. We're developing these complicated programs like the Ontario child benefit and emergency responses like food banks and emergency shelters, all of which are under-resourced. Give people enough money to pay rent and buy groceries and they will. In terms of economic stimulus, all of that money's going to be spent in Ontario, in our communities that are hurting. All that money's going to be spent in grocery stores and second-hand furniture stores and paid to small landlords. The increase to social assistance rates would be a great economic stimulus for the province.

We appreciate the opportunity to provide our input to you. We recognize that you have numerous competing demands and we hope that you'll remember the most vulnerable citizens of Ontario in your difficult budgeting process. Thank you.

The Chair (Mr. Pat Hoy): Thank you. Mr. Prue will be asking you questions.

Mr. Michael Prue: Thank you for your passion. What you're saying here about the rates is absolutely true. This present government, over the last five years, increased the rates by 3%, 0%, 2%, 2% and 2%, but the last three increases of 2% were only for half a year. I don't know whether you were aware of that.

Ms. Sarah Colquhoun: It takes so long for them to reprogram their awful computer system that they make the announcement in the spring and it doesn't happen until November.

Mr. Michael Prue: I've put this to other people. People are actually worse off today, under this government, than they were under Mike Harris.

Ms. Sarah Colquhoun: In terms of actual dollars, probably not much better off. I'm not sure that it's worse off.

It's really interesting. I've been doing this job for a long time. When I started working at the clinic in 1984, a single person on social assistance could get a maximum of \$668 a month. That was in 1984. If somebody had been denied or cut off benefits and you got them back on, you were confident that was a good thing for them. That

meant they were then going to get into stable housing and buy healthy food.

Now, that same person, 25 years later, gets \$572 a month. I mean, when you look at it not in terms of percentages but in terms of actual dollars, it's such a meagre amount of money. Think about what we spend money on just for basic necessities like food and shelter. Just try to imagine trying to do that with so little money. Each year we see things getting worse and worse for the people we work with, and it's quite frightening, worrying about what's going to happen to people.

Mr. Michael Prue: I have twice, since I've been a politician, gone on the welfare diet for two weeks: \$12 a week to eat on. That's about what people spend on average in Toronto.

You make the point here, and a very realistic one, about percentages. It's true. The Premier just announced that MPPs are only going to get a 1.5% increase this year. But 1.5% on what we earn—

Ms. Sarah Colquhoun: —is thousands of dollars.

Mr. Michael Prue: Yes, it's a couple of thousand dollars. It works out to about \$175 a month. The percentages here are so low. Should we be looking not at percentages but at actual dollar amounts?

Ms. Sarah Colquhoun: The Liberal government in 1988 was looking at a market-basket approach, where they actually said that the health unit has a market basket. They said for a family of four, this is how much you need to spend to have a healthy diet, this is how much the average cost of housing is in Ontario and this is how much you need to have a telephone. In 2008, I think most people would recognize that it's a necessity to have a telephone. In the market-basket approach you look at what things cost and what people should be expected to have in a modest household. Obviously, we're not expecting luxury of any kind.

But that has never been done since then. They were looking at it in the late 1980s and then there have been elections and various things have happened, and nobody has gone back to looking at the market-basket approach. Then fortunately, that was one of the things in the poverty reduction strategy. They're talking about sort of a rates review board, but they don't think they need one yet. We think they do. We think you do need to look at the actual cost of basic needs in the province and whether people are getting enough money to meet those needs.

Mr. Michael Prue: The government strategy is primarily focused on children, and purposely. But it does—and I've said this, and I'd just like your comment—leave out a broad swath of people, those who—

Ms. Sarah Colquhoun: A broad swath of people. Single people—

Mr. Michael Prue: Mostly disabled, and—

Ms. Sarah Colquhoun: —couples with no children, people with disabilities, all of those. It's great to be looking at child poverty, but you can't ignore the rest of the poor people. Poor children, I guess, are cuter than some of the other poor people, but you can't just focus on them entirely.

Mr. Michael Prue: Thank you.

The Chair (Mr. Pat Hoy): And thank you for your presentation. We'll take a short recess. To my understanding, two presenters are in the building and the clerk has gone to look for them. So we'll just take a short recess.

The committee recessed from 1014 to 1022.

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will come to order once again. Our 10:45 is willing to present now—the Northwestern Ontario Municipal Association, if you would come forward, please. Good morning, once again.

Ms. Anne Krassilowsky: Good morning.

The Chair (Mr. Pat Hoy): We appreciate your being able to accommodate the committee at this time. I would just ask you to identify yourselves for the purposes of our recording Hansard. You'll have 10 minutes for the presentation and, in this round, the government will be asking the questions. Go ahead.

Ms. Anne Krassilowsky: Thank you. Good morning, again. I'm Anne Krassilowsky, president of the Northwestern Ontario Municipal Association.

Mr. Iain Angus: Iain Angus, vice-president of NOMA and councillor for the city of Thunder Bay.

Mr. Tom Wilson: Tom Wilson, executive director of NOMA.

Ms. Anne Krassilowsky: Tom is our new executive director.

Starting this morning, the majority of the member communities of NOMA have identified infrastructure funding as one of the required priority actions to buffer the catastrophic economic downturn in our economy.

Our communities are facing job losses in the forest industry, and that is multiplied by the loss to the municipal tax base. We would also ask that this infrastructure funding, any infrastructure that's going to be proposed under the community components, be increased as well as moved ahead quickly. Projects like this will keep affected workers and their families in their homes and in their communities. These are much-needed projects that will help to solve the infrastructure deficit. These jobs will help keep families together, keep kids in school and keep communities together. Projects and jobs will help to ease the Ontario Works, police and health costs, which are already growing as we speak.

I think there also needs to be an increase in the amount of the communities component, as we've said. The infrastructure deficit is huge across the province, no less so in northwestern Ontario, and I think this is a way to provide a solution for all of our communities and jobs that are so badly needed at this time in history. NOMA understands that there would be a deficit to the government within the government proposals, but I don't think it's a case of "Is there a deficit?"; it's "How big will it be?" We need that to recognize rural Ontario as well as the cities within the province.

The economic development funding is required to assist communities to develop new enterprises, be they small, medium or large, that will provide sustainable jobs and a tax base as they transition to the new economy.

One size does not fit all, and we say that in regard to infrastructure funding. Some communities can do some of the work. They may have the capacity to build roads, bridges or buildings, or refurbish existing buildings, but not all communities have that. Then you have to add the weather factor that has to be taken into consideration, as we've said many times. Again, in northwestern Ontario, besides the weather which controls our construction time, there's the cost to build or redesign anything in northwestern Ontario. Those are always added costs, because the needed resources are so far away and they're very costly to our communities. Again, the challenge is in bringing in the specialists and those who can do the job. Those are all additional living costs, as well as the cost to do business.

Per capita funding is a challenge for us. If you have a small community, how do you make any project work based on per capita? I think there needs to be an established grant that recognizes population, ability, and challenges to smaller communities. Be it based on 10,000 or 25,000 in a community, there has to be some kind of base funding that assists that, and we would ask you to look into that.

In regard to the OMPF funding, we ask that you revisit the northern communities grant program. NOMA would certainly support an increase to the grant per household, by approximately \$75. I think \$50 would be about \$18 million; and \$75 would represent about a \$30-million investment, or pretty close. We ask for your support in that.

We certainly, as I've said before, would ask the government to accelerate the OW and ODSP and court security, as well. The province uploading is very much appreciated. It's something we've asked for for a long time, and we're pleased that the province has delivered that. At the same time, there are a lot of communities that won't benefit from that, and I think that needs to be taken into consideration as well.

User fees and property taxes, municipal taxes, again, do not support and cannot support the total cost of infrastructure services there. The basic costs alone are almost—communities are unable to support that. If you look at user fees that apply to the Ignace water plant, that's going to push their household costs of water probably to 200 and some dollars, maybe \$300, a month. How do they do that? I think there needs to be something in place that recognizes that.

We want to continue to support the quality of life we have. We recognize and ask you to recognize that northwestern Ontario is a resource-based—for the most part, renewable; certainly not from the mining perspective. We ask that you consider and share the provincial resource revenue. We don't have any other alternative to look to.

I ask you to address the physician shortage to help some of the communities. We also face a nursing shortage, which is going to cut the supply of doctors even

more. If there are no nurses, there are no doctors. Our health care is extremely important, and we have to recognize that. Recruitment is costly and difficult in the face of demand and supply. We look at our communities putting up \$100,000 or \$150,000 to attract a doctor. They can stay for the length of the contract, and then they're moved on to another community. That's huge in our community and all the communities. The community itself can raise X amount of money and the municipalities can match it, but the bucket is empty. There's just nowhere else to go. So we need your support in both those regards.

In closing, we ask you to find a solution to forestry as well as auto. We lost our jobs over several years. We've been in crisis for a long time. We're pleased that you recognize auto, but what happened to forestry? We absolutely need to have forestry jobs and those lost jobs and the closing of those mills recognized by this government. Our economy and our families need a solution, and we ask you to find that solution.

The Chair (Mr. Pat Hoy): Thank you. Ms. Aggelonitis will ask questions.

Ms. Sophia Aggelonitis: Thank you very much for your second presentation of the morning. Are you coming for a third?

Ms. Anne Krassilowsky: I am.

Ms. Sophia Aggelonitis: Good. It's great to have you here. Thank you very much for your presentation.

You spoke about infrastructure. I'd like to ask you two questions about infrastructure. The first one is, do you have any shovel-ready or close-to-shovel-ready projects? The second one would be, if you were to list the priority infrastructure projects that you have, what would be the top three?

Ms. Anne Krassilowsky: You're asking me from across northwestern Ontario. We're talking about a land mass that is absolutely huge. Each community would have a different priority. Each community probably would have several shelf-ready. But you also have to consider the fact that to be shelf-ready, you have got to invest dollars—and where do those dollars come from? Do we have three or four shelf-ready projects that are not in the government's vision? So now you've spent that money, you've taken it out of the community, you've taken it out of the tax dollars, but there's no line-up. They're just not what the government's going to fund at that particular time. So it's very difficult for small communities, first on money and then on the fact that that may not be the project of the day. It's very difficult to do that. At the same time, I think that communities do have shelf-ready projects that they could move forward.

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Mr. Iain Angus: I think the other thing too is that a lot of communities know what their priorities are but, as the mayor indicated, they haven't been able to outlay the dollars to do the detailed design work that would make it available as a shelf-ready project. So we need a longer lead time. That's not to say that work can't happen, and obviously we've got a lot of good engineering planning

firms in the northwest that would be engaged doing the work, contributing to the economy as we went through that process. So we need a little bit longer lead time for a lot of our projects.

Ms. Sophia Aggelonitis: Okay.

Ms. Anne Krassilowsky: And the other remark to that—and I know it is very difficult, I don't know how we would get around it, but when you advertise the amount of money that you're going to give to a community to support that project, the price of the project is guaranteed to be that money or more. Somehow or other we have to be able to understand what we are going to receive in a project, but we have to find a way that we do not release it publicly. It does happen, it's the way it is, but there has to be a manner in which communities can be advised and then put the project out there.

Ms. Sophia Aggelonitis: Jean-Marc has another question.

The Chair (Mr. Pat Hoy): Mr. Lalonde.

Mr. Jean-Marc Lalonde: Thank you for coming back in front of the committee. I was just listening to the previous presentation that you did on behalf of the town of Dryden and now for the Northwestern Ontario Municipal Association. I was just wondering: I know you have a special plan for the northern part of Ontario that is taken care of by our minister, Michael Gravelle, but when we look at development for the area, we have what we call a community in transition fund that is available to develop an economic plan for the future. Lately we have awarded, I think, three of those; three communities did receive the money to develop those plans. But I could see that also those industries that are talking of reducing their operations or moving out—has anybody approached them with the program that we have in place, the AMIS program, the advanced manufacturing investment strategy? We have \$500 million available there at no interest cost for loans up to \$25 million. The other one is a \$1.15-billion program which is called the Next Generation of Jobs. Again, it's a program that is an interest-free loan—

The Chair (Mr. Pat Hoy): Thank you. We'll give you an opportunity to answer.

Mr. Iain Angus: I'm not sure that we're that aware of those particular programs. I know from the involvement that we've had with the forest industry that they have examined all of the programs that are available to them. We'd be happy to have more details about it and in fact learn whether or not it does apply to the communities and industries in northwestern Ontario.

The Chair (Mr. Pat Hoy): Thank you for the presentation.

Ms. Anne Krassilowsky: Thank you so much.

CITY OF THUNDER BAY

The Chair (Mr. Pat Hoy): I'm advised that the city of Thunder Bay is here. If you'd come forward, please?

Ms. Lynn Peterson: Good morning.

The Chair (Mr. Pat Hoy): Good morning. You have 10 minutes for your presentation and the questioning will

come from the official opposition in this case. I would just ask you to state your name for the purposes of our recording Hansard.

Ms. Lynn Peterson: Good morning. My name is Lynn Peterson. I'm the mayor of this beautiful city of Thunder Bay. Welcome to our wonderful town. I'd like to thank you for travelling to Thunder Bay to conduct the 2009 pre-budget consultations.

Let me begin by saying thank you very much to the government for working with the communities in the last 18 months on the municipal fiscal review. It took longer than we all had intended, but the consensus report is one that will move us all forward. So I certainly appreciate that, and I appreciate the fact that there's recognition of the principle that social services shouldn't be paid for by municipal property taxes.

Clearly, there's a growing need to create a stimulus package in the province of Ontario and across Canada as a means of providing employment during difficult economic times. Bridging the need to stimulate the economy by investing in infrastructure is an opportunity to increase employment and make necessary improvements at the same time. I believe that any stimulus package that the government chooses to put into the budget—and I know there has already been talk about what that would look like for the auto industry—also needs to look at accelerating infrastructure requirements in mass transit. It would not only help manufacturing, it would actually accelerate the recovery in terms of the environment in southern Ontario and make all of that much better.

I also want to encourage you to put as much money as you can into infrastructure around water, waste water—anything to do with the Great Lakes. The Great Lakes are probably the finest resource that Canada or the world has. The Great Lakes region is the second-largest economy in the world, second only to the United States. It is critical that we continue to look at restoring and protecting those lakes as an economic engine, and I would encourage you to certainly provide a stimulus package that would assist that.

I'd like to tell you that the city of Thunder Bay is investing in our future. We have a waterfront development project that is ready to go. In fact, we're in design detail plans as we speak. We have just spent \$4.3 million to get that under way; it has been a two-and-a-half-year process to get the plan in place. We have an emphasis on building a stronger, more diversified economy and providing a higher quality of life for our residents. So this master plan at Prince Arthur's Landing will play a major role.

We know that the global economy is in a downward trend and that it's unprecedented. This trend, it appears, will continue for some time and will have real impacts on our economy.

The forest products industry—I know you heard from NOMA, and you will hear again later from the Ontario Forestry Coalition and probably from many of our forest industries—is a foundation of the new resource and green economy for the province of Ontario. We need to be clear, though: The infrastructure, systems and expertise

provided by the existing forest industry provide the building blocks for an evolving bioeconomy. We need a healthy primary forest industry in order to achieve the benefits of a value-added one. Today's forest products industry is more than pulp, paper and wood; it's the platform for the development of new products and industries like biochemicals, biofuels and bioenergy, all of which provide endless opportunities from our sustainable and renewable forests. If you can make it out of a barrel of oil, you can make it out of a tree. That's why our university has created a bio-research institute, and the government of Ontario is investing \$25 million in the Centre for Research and Innovation in the Bio-Economy. NORD 21, the Northern Ontario Resources Development for the 21st century initiative, which is from Lakehead University, will round out that growing sector. The NORD 21 project is about a \$13-million request from the government. I think it's critical to make sure that that project goes ahead; to make sure that CRIBE, the Centre for Research and Innovation in the Bio-Economy, has a home; that we as a province recognize that the boreal forest has the most opportunities in it to change the economy of Ontario and to change the world in terms of the environment. I think investment in research and development and innovation using the boreal forest, because it is not fossil fuel, because it is renewable, is something that we must grasp with two hands and hold tight and make sure that we move it forward.

I also want to say that we appreciate the efforts of the government of Ontario in implementing the 25% Canadian content requirement for mass transit vehicles. But as you know, manufacturing continues to be hard hit in Ontario, and we continue to aggressively support a Buy Ontario and Buy Canada policy. When governments are spending public dollars, if at all possible, not one nut, bolt or steel frame should be manufactured outside of our own borders, nor should we allow final assembly to take place anywhere but in this country. Most countries—90% of countries—have policies in place that reinvest taxpayers' dollars within their own boundaries, and we need to have that. We have 25%; we believe 50% is a better number. I think that we can incent to get there.

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On the other side of the coin, I need to say that for the city of Thunder Bay, 2008 payments in lieu represent a total of about \$7 million, or 3.7%, of our total budgeted operating revenues. Hospitals, universities and colleges generally do not generate the amount of revenue as indicated by their real estate values.

Where a per capita capacity rate has been utilized, the trend in Ontario has been not to update that rate on a regular basis. In fact, the rates for the PILs have not changed in over a decade. That's not the way that we believe it needs to be handled. The revenue source, therefore, does not keep up with GDP growth or inflation. We are requesting that the government of Ontario change the current model for payments in lieu to be indexed to an appropriate economic statistic, such as the consumer price index or the nominal increase in gross domestic

product, and then adjusted annually. A 10-year catch-up doesn't make a whole lot of sense either.

I'd also like to discuss the northern growth plan. This plan is an exciting opportunity to make northern Ontario strong and prosperous today and in the future. The growth plan provides a clear and coordinated approach to address regional priorities and will provide the vehicle to foster economic development. I'm pleased to hear that the government recognizes the importance of this work. We need to make sure that there are resources within the budget to support the recommendations of the northern growth plan as it proceeds.

I know that it's going to be a tough budget year in terms of the finances of the province, but I certainly encourage you not to veer from your anti-poverty strategy. It is critical that that strategy continue and, in fact, be accelerated. The entire province and every citizen will be better off because of it.

In closing, I want to thank you again. My list was much longer, but I thought I could probably hit a few with the questions. I would also like to say that as a member of the board of directors of NOMA, I didn't want to repeat what was said. Certainly, the city of Thunder Bay clearly supports the NOMA position.

We are also part of the Ontario Forestry Coalition. You will hear more about forestry later, and I will be joining in. I certainly know you'll be hearing from our forest products industries. Exciting opportunities exist within the forest industry, but that forest industry needs to be healthy. When you take that wood and you make it into something renewable—plastics, resins, polymers, nanocrystals, autos, bioauto—it's real; it's available to us. But we need to invest in the forest industry, because you still must get into the forest, you must manage the forest, you must bring those trees in, and you must process them. Our pulp and paper industry has the infrastructure to do that. It's what you do with it next. Pulp, paper, wood, dimensional wood—yes, all of that, but there's so much more, and we need to invest in that. Thank you.

The Chair (Mr. Pat Hoy): Thank you. The questioning goes to the official opposition.

Mr. Tim Hudak: Thank you, Your Worship. Good to see you again.

Ms. Lynn Peterson: Nice to see you.

Mr. Tim Hudak: Thank you for taking the time to brief the committee on some very important topics to Thunder Bay and area.

I'm going to ask you this: Recently, an economist—I believe a Lakehead University economist—talked about the number of job losses in Thunder Bay and northwestern Ontario in the private sector. Do you recall how many job losses there are?

Ms. Lynn Peterson: It's in the thousands. The OFC presentation has it, and I don't want to misspeak, but I believe it's well over 2,254 at last count.

Mr. Tim Hudak: Certainly, the loss of well-paying jobs in Thunder Bay and the other communities we visit is one of our main topics. It relates very much in Thunder

Bay, because of the forest industry and heavy manufacturing, to the price of electricity. You've talked of electricity previously when you've been at the committee. Do you have any comments on what needs to be done in the future on the price of power?

Ms. Lynn Peterson: I believe that you need an industrial rate across the province. I do know that you'll be hearing from Bowater on energy because it is so important. The fact of the matter is that we continue to have an energy conundrum in northwestern Ontario. We can produce the energy that's required. I ask you to think back to the blackout in Toronto. When all of the south was in darkness, we were actually shutting down power generation. The issue is that we could produce the power, but because that little tiny line in between is like sucking a milkshake through a small straw, you can't get that power out of northern Ontario into southern Ontario to assist. When you think about the energy capacity within Ontario in terms of what we should be doing in the long term, we have the opportunities in northern Ontario, because of where we are, for alternate energy sources, but then you need to get it out of northern Ontario. That energy needs to be at a price that has industry in northern Ontario competitive. It just doesn't make any sense for us to be able to produce it at such a low rate and then charge our industries so much more that it puts them out of the ballpark in terms of competition. I'm sure you're going to hear from the forest industry and the OFC that unless all of the pieces are in place to ensure that the industry can be competitive, it can't be a healthy industry.

Mr. Tim Hudak: A central point of your presentation was that there's a great opportunity in the forest industry for the green economy, bioeconomy—a couple of the terms you used. But you have to make sure, if I understood your point, that the foundation remains healthy. Basically, you're saying that we need to ensure that we can continue to be in the pulp and paper and dimensional woods sector; otherwise these other products won't come through. Is that your point?

Ms. Lynn Peterson: That's tight. You have to have a healthy primary industry to even think about having a value-added one. The entire concept of value-added is that you already have a healthy start. Unless the primary industry is healthy, you can't make resins and polymers and nanocrystals and all of those wonderful things, plastic—well, they're not really plastic bags; they're made out of fibre. You can't make that unless you actually have the folks who work in the forest, the truckers and the processing. You can't have the second piece without the first.

Mr. Tim Hudak: You also mentioned the boreal forest initiative, which you described as an opportunity. Many in the south perceive that as setting aside the entire boreal forest for no development or harvesting whatsoever. There's the caribou and such there. Please explain what your vision is of what the boreal forest initiative should be.

Ms. Lynn Peterson: First of all, the boreal initiative I think is not a park. This is where people work and have

their living and enjoy and cherish the boreal forest. The impact: When you say the people in other parts of the province think we should just have a large park, I would suggest that their economic well-being would probably fall into the sewer without the forest industry. We're the second-biggest industry in the country, and we have to remember that.

The forests of northern Ontario have the highest standards in terms of care and stewardship of a renewable resource. It needs to be managed, and it is managed well. To suggest that we do anything else is really foolhardy.

Mr. Tim Hudak: Thank you.

The Chair (Mr. Pat Hoy): Thank you for the presentation.

Ms. Lynn Peterson: Thank you, and I'll see you later.

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ONTARIO FORESTRY COALITION

The Chair (Mr. Pat Hoy): Now we'll hear from the Ontario Forestry Coalition.

I know it seems rather odd, but I should have you state your name again for posterity purposes on our recorded Hansard. If you'd do that again, everyone, then you can begin your submission.

Ms. Anne Krassilowsky: Does perseverance count?

Mr. Iain Angus: My name is Iain Angus. I'm the chair of the Ontario Forestry Coalition. With me are Anne Krassilowsky, president of NOMA, and Lynn Peterson, past president of NOMA, both mayors in their own right and key spokespeople for the coalition. We're going to share the presentation.

The Ontario Forestry Coalition is representative of a broad range of organizations directly concerned with the survival and sustainability of Ontario's forest industry—and I'd emphasize "Ontario." We are not just northwestern Ontario-centred, as we have members from FONOM, from northeastern Ontario; and the Ontario Forest Industries Association and the Ontario Lumber Manufacturers' Association, both of which have members across this province. We do represent labour through CEP; businesses through the Northwestern Ontario Associated Chambers of Commerce; First Nations through the Nishnawbe Aski Development Fund Corp.; municipalities through the Northwestern Ontario Municipal Association and FONOM; and, of course, we have industry.

The forest industry has been in an economic crisis well before the mortgage collapse in the United States triggered the one that all of Ontario is now in. In the northwest, we have seen over 6,000 forest industry jobs disappear from our communities in the last three years alone. For many communities, they have lost their only industrial employer and the majority of their tax base. Today—and I emphasize the word "today," and we'll come back to that—there are only 4,236 people working in the northwest in the forest industry.

It is important to emphasize the degree to which the forest industry has impacted the regional economy of the northwest. Let me turn it now to Anne Krassilowsky.

Ms. Anne Krassilowsky: In the 2006 report *An Economic Impact Analysis of the Northwestern Ontario Forest Sector*, the following facts were identified:

The value of direct forest sector salaries in northwestern Ontario was \$624 million per year—1.27 times higher than those in health care and social services, 2.29 times higher than education, 4.31 times higher than mining, and more than 5.22 times higher than tourism-related industries. The overall average annual wages and salaries in the forestry industry were 54% higher than the overall average earnings in northwestern Ontario.

Many northwestern Ontario communities depend on the forest industry for a large percentage of their community income: Red Lake sub-region, 21.23%; Kenora sub-region, 25.47%; Fort Frances, 66.8%; Sioux Lookout sub-region, 27.58%; Dryden sub-region, 72.24%; Thunder Bay sub-region, 23.46%; Nipigon North, 70.58%; and Nipigon South, 87.33%. The overall percentage of dependency on forest industry income in northwest region is 35.14%.

Mr. Iain Angus: Over to Lynn Peterson.

Ms. Lynn Peterson: You didn't write my name in.

Mr. Iain Angus: I didn't write your name in, sorry.

Ms. Lynn Peterson: Just three years ago, there were nearly 200 communities in southern Ontario having a stake in the economic viability of Ontario's forest sector. The economic impacts of the forestry sector extend well beyond the mills which process wood fibre into lumber, paper and other manufactured products. Southern Ontario companies provide equipment, supplies and services utilized throughout all aspects of the production process, from management and planning services to harvesting, right through to the processing of end products.

The economic footprint of the forest industry in Ontario is second only to the auto industry. It had \$19 billion in total sales, with an \$8.5-billion contribution to the balance of trade and \$4.8 billion in salaries and benefits to the 85,000 direct employees. There were an additional 190,000 people employed indirectly by the forest industry, while taxes amounted to \$2.3 billion a year.

All of Ontario's forest companies and processing facilities are deeply integrated in the provincial economy through the numerous businesses that provide equipment, supplies and services to industry. In southern Ontario, 107 communities were the home of 177 mills and processing facilities. An additional 332 businesses located in 75 southern Ontario communities provide equipment and services to the pulp and paper sector, and nearly 100 businesses in 68 southern communities are directly involved in providing equipment and services to the forestry and wood products sectors.

Mr. Iain Angus: If you could turn to the last three pages of the package we provided you with, you will see three maps. The first map, entitled "A: 19 Forest Communities in the Northwest"—that's how we were just a few years ago. If you go to the next page, you'll see we're now down to eight communities that are still forest-based communities. We've lost 5,777 direct jobs,

and today there are only 4,236 people working in the industry.

If you go to page 3, you'll see what Christmas will look like in northwestern Ontario. We'll be down to six communities with functioning forest-processing facilities.

So when we talk about northwestern Ontario and the forest industry being our auto industry, and the impacts that we've been feeling, it has been severe. It has been horrendous to the people of our region.

Let me turn it back to Lynn Peterson.

Ms. Lynn Peterson: No, that's Anne.

Mr. Iain Angus: Page 11? You're ahead of yourself.

You can tell we haven't choreographed this.

Ms. Lynn Peterson: Mr. Chairman, now you understand better why we say that forestry is our auto industry and should receive the same recognition that has historically been received by that sector, if not better. Now that Ontario and Canada have reached an agreement on how to proceed to assist the auto industry in Ontario, it is time—much needed, in fact—that those same two governments give the forest industry the same attention and support.

The forest industry and towns that rely on it need action now. We need action so that when the economy and markets turn around, we have mills that can resume operation. We need action now to ensure that the remaining mills, whether they be saw, pulp or paper, can afford to stay in operation. And we need action now to support the laid-off workers, their families and their communities so that they can weather this storm.

Mr. Iain Angus: Okay. And now we'll turn back to Anne Krassilowsky.

Ms. Anne Krassilowsky: Mr. Chairman, members of the standing committee, in our written brief we have outlined a number of additional steps that are important to the survival of the industry. The key points are:

(1) Maintenance of the industrial fibre basket:

In 2002, in the final report of the Ontario Forest Accord Advisory Board on the implementation of the accord, representatives of the forest industry, the government of Ontario and the environmental sector recognized that the long-term supply of wood necessary for industrial processing is 24 million cubic metres per year. We need that allocation to be protected for our future use.

Endangered Species Act: The Ontario Forestry Coalition continues to be very concerned that additional reduction of fibre supply will occur through the implementation of the ESA. The government needs to recognize that the current forest management planning process addresses the objectives of the ESA in order to ensure that the implementation of the new Endangered Species Act does not result in a withdrawal of the land base or a reduction in fibre supply.

Mr. Iain Angus: Back to Lynn.

Ms. Lynn Peterson: Thank you.

(2) Maintaining competitive measures put in place since 2005:

Since 2005, the government of Ontario has implemented several key measures and strategies that were

designed to help restore the competitiveness of Ontario's forest sector. These include road maintenance and construction funding; forest resource inventory funding; wood promotion funding; the creation of a forest sector prosperity fund; a loan guarantee program; and the northern pulp and paper electricity program. It is essential that these be maintained and their life extended where appropriate.

(3) The OFC requests that the government maintain the crown dues rate for poplar and birch at a rate no greater than \$1.07 per cubic metre for the next three years.

(4) We also ask that, to assist in restoring competitiveness to the province's manufacturing sector, the government of Ontario implement a temporary industrial electricity rate that is competitive with other jurisdictions in Canada and the United States.

Mr. Chairman, there are more details on each of these points found at the end of our presentation.

Mr. Iain Angus: Mr. Chairman and members of committee, we ask that the Ontario government continue to support the programs that the industry critically needs. We also ask that all orders of government work with us in the future to find new solutions that will get our forest industry back on its feet, not just for the short term but the long term, so we can put these 6,000-plus people back doing what they know best.

As we said at the outset, the forest industry is our auto industry. The forest industry's importance to the northwest's economy is proportionally greater than the auto industry's is to southern Ontario. We have already seen more than two thirds of our forest workforce laid off. Please keep that in mind as you advise the government of Ontario on the contents of the 2009 budget.

Thank you for this opportunity to present to you today.

The Chair (Mr. Pat Hoy): And thank you. The questioning will be put by Mr. Prue of the NDP.

Mr. Michael Prue: Thank you very much. The very first deputant this morning was Mr. Doug Murray from AbitibiBowater. He talked at great length, saying many of the same things that you said in this presentation, but his key message was the electricity rate and the fact that not having an industrial electricity rate in northwestern Ontario was devastating to his industry and to Abitibi-Bowater.

Do you concur that that's the key issue, because you've listed a number of them?

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Mr. Iain Angus: As a coalition, we've looked at a whole range of things. We wanted to be sure that we were consistent in terms of our ask. Certainly, we recognize that an industrial electrical rate will not only help the forest industry; it'll help the steel industry, the automotive industry and other small manufacturing industries, mining in particular as well. In fact, we see a real challenge up in the northwest in terms of the existing infrastructure, let alone rates, of being able to actually put any new mines on stream just because we don't have the power system here that we need.

Yes, it is an important element, and the fact that a major company has stressed that is indicative to us that they see it as one of the most important proposals being offered.

Mr. Michael Prue: As the forestry industry has declined, in terms of numbers of people working, that has also affected many of the towns. Can you describe what is happening in some of the towns in terms of depopulation, house prices, businesses closing up?

Mr. Iain Angus: I think Anne Krassilowsky, mayor of Dryden, is in a better position to answer that than all of us, in terms of the smaller communities.

Ms. Anne Krassilowsky: It is absolutely devastating. You can't spell it any other way. There's family destruction, there's family stress that is going through the roof, there's a loss, as I've said before, to health professionals in the community. It vibrates and ripples right across the whole of the municipality in every sector. Certainly, the price falling in homes is somebody losing their equity. That's losing what they've worked for all those years. There's nothing to move on to or from. When you lose that equity, how do you go forward, even if you could find another job across the country? It's not right that you should have to kiss your kids goodbye and hello from a thousand miles away—or good night and good morning. That's just not acceptable.

When you look at some communities that have no real estate value any more, that you could take \$8,000 out of your pocket and buy a house or use your credit card, does it get any worse than that? No. Forestry is a resource-based industry. It renews, it cleans the air, it does great things and it helps families.

I'll cut it short because I can really get passionate about this. It hurts.

Mr. Michael Prue: We often hear that, although there have been some job losses in the forest industry in Manitoba, they haven't been anywhere near as severe. North-western Ontario is closer to Manitoba than to Toronto. Could you comment on why they have not had the same loss? Are they doing something we should be doing?

Mr. Iain Angus: My understanding is that the government of Manitoba, by policy, has two different electrical rates: one for domestic use and one for export. That has enabled, we're told, their mills to withstand the shifts in the market and the shifts in competitiveness from other sectors around the world. I understand that they have not had to close one mill in Manitoba, primarily, we're told, because of electrical rates.

Mr. Michael Prue: There's still time?

The Chair (Mr. Pat Hoy): One minute.

Mr. Michael Prue: Okay. With my last minute, then, let's—

Ms. Anne Krassilowsky: Mr. Prue, can I take that, for mining just for a second?

Mr. Michael Prue: Sure. Go ahead. Use the last minute.

Ms. Anne Krassilowsky: We have Red Lake, which is gold-rich and tax-poor, but when you look at Pickle Lake and places like that that have viable mines which

could go back into operation or could begin to build new, and when you can't do that because you don't have the power, and when you have radio lines versus loop lines, when you have to take the energy out of the community to create new jobs or open mines, how does that happen in Ontario? How does that happen in Canada?

Ms. Lynn Peterson: I think they're on generators.

Ms. Anne Krassilowsky: They buy a generator before they buy a TV. The far-north communities don't even have power. How does that exist in this country? We worry about countries offshore, and I feel for them, but we've got to look after our own at home.

Mr. Michael Prue: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Iain Angus: Thank you, Mr. Chairman and members of the committee. Safe travels.

Ms. Lynn Peterson: We're not going to be back again, are we?

Mr. Iain Angus: No.

The Chair (Mr. Pat Hoy): I took a little look, but it's okay.

Ms. Lynn Peterson: Thank you very much anyway. Thank you for listening.

STUDENT UNION OF CONFEDERATION COLLEGE INC.

The Chair (Mr. Pat Hoy): Now I'd ask the Student Union of Confederation College Inc. to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning coming from the government. So I'd just ask you to state your name for the purposes of our recording Hansard, and then you can begin.

Ms. Laura McFarland: My name is Laura McFarland. I'm the president of the student union at Confederation College. I'm here representing approximately 4,000 full-time students living not only in Thunder Bay, but also in rural communities, as well as 10,000 part-time learners.

I also bring you a message and greetings from College Student Alliance. The CSA is an advocacy and service organization representing over 109,000 full-time college students at 16 colleges and on 23 campuses across Ontario. I believe the CSA has or will be providing you with a document. This is the document. I haven't provided you with it today because they have apparently mailed it, yesterday or the day before. But it is available online and I will be supplying that to you after I speak with you.

This submission illustrates how a continued and strengthening support of the college system will lead the province out of the economic state we are in now. Thank you for this opportunity to present and share with you some of the ideas that I feel will help Ontario through this current economic and fiscal challenge.

Today, I'm going to talk to you about four areas where the Ontario government can make a significant difference in the lives of students across Ontario. I'm going to talk

to you about the current economy, access and affordability of post-secondary, transferability and fairness.

Given the current fiscal and economic challenges facing Ontario, Canada and the globe, it is most important that we focus our investments on human capital and in turn on our ability to grow the economy. While interest in education past the secondary level has continued to increase, post-secondary attainment is still nowhere close to the levels needed to supply forecasted social and economic needs.

With today's fiscal challenges and uncertain times still ahead, now more than ever the government needs to make strong, decisive and tough decisions. Investing in Ontario's colleges and its graduates is not only bold but it does make sense. College graduates are in demand and will be vital to rebuilding our economy. Ontario now must move away from a purely manufacturing economy to a knowledge, skills and innovation economy.

The Association of Canadian Community Colleges, ACCC, released a publication that explains the outweighing benefits to costs associated with investments in colleges and institutions in Canada. This publication outlines that investing in higher education has far greater benefits than costs for both students and taxpayers. Nationally, and when totalled across existing students, \$215 million is saved this year in social costs—8% of GDP comes from colleges and institutes. For every year of study, the student will earn an additional \$3,800 per year, thus giving taxpayers a rate of return of 15.9% for investment in colleges with a payback period of 8.7 years. Given the return on investment, we feel it is imperative for the government to continue to further invest in colleges and post-secondary education as a stimulus to the economy.

During this period of economic uncertainty, we must take advantage of this opportunity to undertake a full and holistic review of the Ontario student assistance program. OSAP must be available to adequately address all of the current needs of our students, while having a flexible enough structure to easily address future needs.

OSAP is one of the tools that must be used to expand access to our colleges and universities. Students who are traditionally under-represented within post-secondary education require not only additional information on the benefits of post-secondary but assistance to meet the financial requirements. When a student knows that they'll be coming out of post-secondary with a \$22,000 debt, education doesn't look very appealing at all.

As promised in the 2007 Liberal platform, I encourage the government to move forward with the elimination of the education and tuition tax credit, costing an estimated \$725 million in 2006-07, and direct those funds to expanding the Ontario access grant, furthering targeted up-front grants for under-represented Ontarians. The education and tuition tax credit is not an incentive to low-income earners, as this program only benefits those earning middle to high incomes.

In the spirit of collaboration and innovation, it is time that Ontario move forward with ensuring transferability

and student mobility. It makes complete economic sense for the government to establish a transfer agency that would take a lead in developing system integration between colleges and universities.

1110

In 2007-08, 8% of college students came from universities and 9% of college graduates enrolled in a university in the following year. This increase of about 1% a year for the last three academic years happened, not to mention the students who are graduating from Ontario colleges and moving to another province to further their education.

With the current lack of transferability, Ontario students are being forced to duplicate their prior learning at the same time as incurring more debt, which also lengthens the time before they enter the labour market. Lack of credit recognition is one of the reasons that students are not able to move from institution to institution with ease. A university English graduate who was continuing their education at Confederation College whom I spoke to recently was required to take a college-level grammar course. This does not make sense to me. An even bigger barrier is for college graduates continuing their education at a university. Universities don't like to recognize the value of a college education.

Colleges and universities are trying to create individual articulation agreements amongst themselves but, from a student's perspective, they need help. They're doing it between Lakehead and Confederation College, but then, from Confederation College, I couldn't go to the University of Windsor if I wanted to enrol in a certain program there. There aren't any transferability agreements between those two institutions. We need to establish a regulated transfer and articulation agency so that this doesn't happen anymore. This would also address the additional and unnecessary duplication of government investment through per-student funding and government financial assistance, ultimately beneficial to taxpayers as well as students, as this would save both time and money.

Based on the current and future needs of the economy and employers, they want to ensure that their employees are coming to them with both theory and practical skills. A system of transferability will ensure that students have the desired skills and abilities Ontario employers and foreign investors are looking for.

This government has tirelessly advocated on behalf of Ontarians to the federal government to properly recognize the contribution Ontarians have been making to the federation and, as such, has been requesting fairness when it comes to funding and equalizations. We support these claims and encourage the Ontario government to recognize the need for increased fairness when it comes to funding of Ontario colleges and students.

In 2008-09, college per-student funding was at \$7,034, which in real terms is about the same level it was at in 1993-94, which was \$6,988. This total still lags far behind the national average. In order for colleges to provide adequate supports, tuition has been raised significantly, coming directly from the pockets and, in terms of

student poverty, often the mouths of students and their families. The demographic of Ontarians seeking post-secondary education has changed over the years, and now we have more and more adult students who are having to support families while going to school—often single parents supporting three or four children. Our food bank is an example of what I have seen here at Confederation College in the two and a half years I have been there. The use of our food bank has increased significantly over this time. I believe this is a true reflection of the immediate impact of the inefficiency of the support system we have now for our students. Why do our students have to seek this support when ultimately they will eventually be significant supporters of our province, once they start earning a taxable income?

According to section D from the 2008 Ontario budget, the average per-student funding in publicly funded institutions in Ontario was to be at approximately \$9,821. So why is it that college students are valued at \$7,034? A college education prepares our citizens with the tools to jump right into the workforce—exactly what we need in today's economy.

There are two principles underlying our request for increases in college per-student funding: fairness, as I've stated already, and economic value. On the principle of economic value, an increase in investment in education—and particularly in colleges—increases the quality of the educational experience and the productivity of workers, not to mention the previous mention of savings in social spending.

Given the current economic and fiscal challenges, I'm not asking that the government move to get us up to the national average in the 2009-10 budget. But start us on the path to increased fairness. We are asking you to raise college per-student funding from \$7,034 to \$10,500, with a modest increase of 3.5% in the following year to ensure we don't fall back to below the national average. This would bring Ontario closer to the federal average and pave the way for Ontario to be an educational leader among Canadian provinces.

The Chair (Mr. Pat Hoy): You have about a minute left.

Ms. Laura McFarland: All right. Colleges and students throughout Ontario have great potential in assisting the provincial government in promoting prosperity. This potential for greater wealth can be brought to fruition with a willingness and capability from the provincial government to implement the necessary framework and further investments to transform opportunities into achievements.

I encourage you to read the submission that you will be getting and consider the recommendations in this paper, as these suggestions provide not only a clear path to a greater economy but also a return in investment.

On behalf of the students at Confederation College as well as college students provincially, I appreciate this opportunity to speak to you so much, and I hope that we can work together through these hard times to move

Ontario forward to become a true leader in learning. Thank you.

The Chair (Mr. Pat Hoy): Thank you. If you do provide additional information, send it to the clerk, and he'll ensure that all committee members get it.

Ms. Laura McFarland: Yes, he has it.

The Chair (Mr. Pat Hoy): The questioning will go to the government, Ms. Aggelonitis.

Ms. Sophia Aggelonitis: Well, Laura, first of all, thank you very much for your presentation. It was extremely articulate, and you did a really, really great job. I think that your union should be very proud of having you as a representative here today.

Ms. Laura McFarland: Thank you.

Ms. Sophia Aggelonitis: You know, you're right: The greatest asset that I think Ontario has is its people, and of course its educational facilities are so important to all of us. One of the government's achievements, when it comes to education and the Reaching Higher plan, something that I wanted to share with you, is the \$55 million annually by 2009-10 that is going to improve access for aboriginal people, which is something we're really proud of.

One of the things I'd like you, though, to comment specifically on is this transfer of credits. I've heard it in my community of Hamilton, especially with some of the students at Mohawk College. Tell me a little bit more about the transfer of credits and how that affects a college student.

Ms. Laura McFarland: All right. Well, what's happening is that students will be taking—for example, I took recreation and leisure. I took a two-year program. I graduated with a 4.0 GPA. If I wanted to transfer that to Lakehead University and continue and get my diploma in recreation and leisure, I would be given about half a year credit at the university.

Ms. Sophia Aggelonitis: For a two-year program?

Ms. Laura McFarland: For a two-year program. That would be a good deal. Like I commented before, English majors are having to take grammar courses at college levels. It's a burden on the taxpayers, as they're paying for students to take these courses, and it's a burden on the students because they're having to repeat courses that they don't need to be taking. We need to have some kind of a body overseeing all of these articulation agreements and making sure that students are being treated fairly and that they have that ability to move seamlessly from institution to institution to gain the education that they need.

Ms. Sophia Aggelonitis: Well, that's a good point. Thank you again. Thank you very much for coming, and I wish you all the luck.

Ms. Laura McFarland: Thank you so much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Ms. Laura McFarland: You're welcome.

The Chair (Mr. Pat Hoy): We'll recess and wait to see if our final person will come.

Mr. Tim Hudak: On a point of order, Chair, before the recess.

The Chair (Mr. Pat Hoy): Yes?

Mr. Tim Hudak: I wanted to suggest a question for research. So in the interests of time while we're waiting, I'll do that.

Energy prices have been a dominant theme of a number of the presentations today. I'm going to ask—I'll give a written copy of this. There's a complexity to energy pricing that I think it would be informative for the committee to have a brief on.

"Would legislative research provide a brief for the committee on the price of electricity in the province of Ontario, including but not limited to, the following elements:

"(1) The price of electricity to residential, commercial, industrial and institutional customers from January 1, 2003, to the anticipated price as of January 1, 2009;

"(2) The price of electricity from OPG's regulated assets, hydro and nuclear, over the same time period;

"(3) The price of electricity from OPG's non-regulated assets over the same time period....

"(5) Some background on the cap on the non-regulated OPG assets, including when the cap began and when it will expire;

"(6) Changes in the Hydro One transmission rates over the same time period;

"(7) Any plans by OPG or the province of Ontario to introduce a CO₂ premium on all fossil generation;

"(8) Revenues, costs, the number of FTEs, the number of individuals on the sunshine list, and net profits and/or losses at OPG and Hydro One over the same time period."

Thank you, Chair.

The Chair (Mr. Pat Hoy): Very good. We'll recess to wait to see if our 11:30 does arrive or not.

The committee recessed from 1120 to 1126.

LAKEHEAD SOCIAL PLANNING COUNCIL

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will come to order once again. Now we have the Lakehead Social Planning Council with us. You have 10 minutes for your presentation; there may be up to five minutes of questioning after that. I would just ask you to state your name for our recording Hansard and then you can begin.

Mr. Aaron Park: Great, thank you. My name is Aaron Park from, like you said, the Lakehead Social Planning Council.

I come here today to speak mostly around financing for the poverty reduction strategy which was just released. A recent report was released titled *The Cost of Poverty*; this was in partnership with the Daily Bread Food Bank in Toronto, among other economist partners, and this indicated that poverty has a social cost of between \$10.4 billion and \$13 billion annually. This social cost of poverty is measured through the cost that poverty has on our health care system, the criminal justice system and many other social services that are provided for people who are living at the margins. In

essence, if poverty has an associated cost, which I think we all agree that it does, then the reduction of poverty should generate an economic return. This return would be realized both for individuals, in terms of increasing their earnings, as well as for the entire province in the form of reduced social expenditures and higher tax revenues.

Reducing poverty with the right policies and investments will generate a long-term return equivalent to a portion of the substantial social costs of poverty. So by strengthening the incomes of vulnerable families and adults and investing in social infrastructure such as housing and child care, we can reduce poverty and stimulate demand for local economies in Ontario. The major point that I'll be trying to bring in with the rest is the economic imperative around reducing poverty.

Before I get into that, I'd like to talk about how Ontario does have that fiscal space to borrow for investments in poverty reduction. This is drawn from the current strength of provincial finances. As you are probably well aware, in 1999-2000, Ontario paid 17 cents on each dollar of revenue for debt charges. Currently, in 2007-08, Ontario pays 9.3 cents on each dollar of revenue for debt charges. Basically, by being fiscally responsible in the good times, the province now has that space. In difficult economic times like now, we have the ability to borrow and help stimulate the economy forward.

I would like to outline four priority areas for public investment around poverty reduction.

The first priority is in the area of income supports. We need an increase to the maximum Ontario child benefit payment to \$1,500 per child, and this should be indexed to inflation. This is from the current commitment in the latest poverty reduction strategy report that came out a few weeks ago which promised \$1,300 a child. With this, we should ensure that all families get the full benefit of this improvement. We need the introduction of a \$100-a-month food supplement in 2009 to alleviate chronic cycles of hunger experienced by adults on social assistance. Also, we need to encourage the introduction of an indexed Ontario housing benefit for all lower-income families and adults, to ensure that the shelter costs do not exceed 30% of their gross income. We would like to see the institution of a full indexation of social assistance payments and a raise in the social assistance rates of 5%, as well as the provision of support allowances for extended skills training, education and vocational planning for parents, youth and adults who are currently on social assistance. The last one for income supports would be the extension of dental, drug and vision coverage to low-income workers.

The second priority area that I'd like to speak about is social housing. The current social housing situation is grossly inadequate. There are wait-lists across the province. This is especially true for Thunder Bay. We call for an introduction of a multi-year program of public investments to construct 8,000 affordable housing units each year across the province of Ontario until we've managed to catch up and alleviate those wait-lists. We

also call for the provision of ongoing investments sufficient to repair the existing housing stock that has fallen into derelict conditions.

The third priority to be focused upon is community initiatives. In this, we would like to see the introduction of a community opportunities fund. This is to strengthen capacities of organizations, networks and peer groups that are engaged locally and support those living in poverty. Also, we would like to see a set-up of a community services partnership program that strengthens core funding of voluntary and community groups that assist low-income people and people in poverty. Right now, many of these groups are struggling to find supports from the United Way or their local city councils, and it's a pretty tough situation for them. There are short-term programs that do help low-income people, but they run for six months to a year, and then the program has to fold because there's no ongoing sustainable funding for these groups to maintain that support.

The final priority area that I'd like to speak about is a robust system of early childhood education and care that is universal, high-quality, affordable and not-for-profit. We would like to see a cap on the current parent fees and increased spaces to recognize the essential role of child care in a poverty reduction strategy. Ending that cycle of poverty starts with ensuring that young children have an equal and fair start to life. We'd also like to see the provision of adequate core funding directly to child care centres, an improvement in the wages and benefits to child care workers who perform such an essential task in our society, and the development of a public investment plan to expand not-for-profit child care programs.

To finish, I would like to commend the current Liberal government for its commitment to reducing poverty during a tough economic time. It's not an easy thing to commit to. I'd like to add that it is paramount that this commitment is matched through responsible investments in poverty reduction, so, putting the money behind what is in that report.

I would like to finish by demonstrating the economic wisdom in investing in poverty reduction during tough economic times. If the government acts to strengthen the incomes of vulnerable families and adults, and invests in things like social housing and child care, this action will not only reduce poverty, which is a positive in itself, but will also stimulate demand in local economies across Ontario. Dollars spent on social housing, for example, will create local jobs in construction and supply, investments in child care will lead to good jobs for local people, and increasing social assistance rates will put more money into the hands of individuals who not only require it but will also spend that money quickly in the local economy.

This sort of idea was supported by the managing director of the International Monetary Fund at a recent meeting of the G20. It was stated that one of the most effective ways to give economies the stimulus needed to recover is to get money into the hands of vulnerable populations because they spend it fast and locally. They don't put it into savings accounts like the general popu-

lation does with tax cuts. That money in tax cuts does help everybody, but that money is often banked and used for vacationing and things like that. By raising the rates and putting more money into the hands of vulnerable populations, it's spent right away. It's not banked; it goes back into the economy.

I'd just like to end that investing in the most vulnerable populations in Ontario is socially, morally and now increasingly, we're recognizing, economically just and wise. Thank you for your time.

The Chair (Mr. Pat Hoy): Thank you for the submission. The questioning will go to the official opposition, Mr. Barrett.

Mr. Toby Barrett: Thank you, Aaron, for coming forward on behalf of the social planning council. You mentioned some ideas around a food supplement. Would that be in conjunction with food banks, or would that be a food cheque or a food stamp? How would that be administered?

Mr. Aaron Park: Right. This is a new fund that we're speaking of. This came out of the community groups through the 25 in 5 Network that was working on community consultations around poverty reduction alongside of Minister Matthews's consultations. This is something that we kept hearing over and over again, that there just wasn't enough food to go around for people living on Ontario Works and ODSP. What we thought would be important was just an additional \$100 to those people that they could spend on food. This would alleviate some of the high stress that we see on the food banks and things like that currently.

I'm sure the situation is similar in other places, but in Thunder Bay we have regional food distribution that distributes food to all the local food banks. We relied quite heavily on our partnership with southern Ontario to provide a lot of the food to go to these food banks, and the trucks stopped moving about eight months ago. We've done local food drives and things like this, but the demand is just incredible right now, and they can't meet it. Relying on the food banks is a charity model, and I guess this \$100 would be more of a structural change to that charity model. I'm sure the food banks will still exist and meet need for some individuals, but a more structural change needs to take place.

Mr. Toby Barrett: You mentioned—was it 8,000 new housing units?

Mr. Aaron Park: Eight thousand new housing units approximately—

Mr. Toby Barrett: Province-wide?

Mr. Aaron Park: —province-wide is what is needed.

Mr. Toby Barrett: And then repairs. Are you referring to—so many people are in apartments or rooms. It's not a new government building; it's a landlord or a private house. Is that part of the model as well? What's your feeling on how that works out or what should be done?

Mr. Aaron Park: My personal feeling is that that repair money first needs to be addressed to the government's social housing stock. From there, if a system

could be worked out to support landowners that are renting to low-income individuals, they could be assisted as well, but I think it should first be dedicated toward government social housing.

Mr. Toby Barrett: How would we make it fair for the people who are in the other accommodations, who are on social assistance of different forms?

Mr. Aaron Park: That's a good question. I guess, to the landlords, promising money down the road to improve their stock may help alleviate that, but the landlords should be attempting, I would hope, to keep their rental units in good repair, as well, whether that be out of their pocket or not. I think a promise down the road to address that stock may help.

Mr. Toby Barrett: I know you use the term "social assistance." Now, you didn't mention people on disability. A certain percentage of people on disability are also, obviously, on low incomes. Any recommendations for those people?

Mr. Aaron Park: Oh, definitely. The ODSP rates, the Ontario disability support payments, along with Ontario Works, need to be at least indexed to inflation at this

point, if not increased beyond the 2% or 3% that we've been seeing year to year. They still haven't made up for the cuts to these programs in the 1990s, and inflation has increased that. I think the ODSP maximum is maybe \$11,000 a year to live on, which we all know is not enough money for a person to make it through the year. Along with Ontario Works, Ontario disability certainly has to be raised.

The Chair (Mr. Pat Hoy): Thank you for appearing before the committee.

Mr. Tim Hudak: Chair, I'm going to ask, through you, if the clerk would be so kind as to distribute a very important document to members of the committee. The source is dictionary.com and it deals with the proper pronunciation of the word "presentation." Dictionary.com allows for both "presentation" and "pre-sentation" equally. Thank you.

Ms. Leeanna Pendergast: Dictionary.com?

Mr. Tim Hudak: Dictionary.com.

The Chair (Mr. Pat Hoy): Very good. We are adjourned.

The committee adjourned at 1143.

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