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Thursday 18 December 2008

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(Hansard)**

Jeudi 18 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

Thursday 18 December 2008

Jeudi 18 décembre 2008

The committee met at 0903 in the Radisson Hotel, Sudbury.

PRE-BUDGET CONSULTATIONS ONTARIO FOREST INDUSTRIES ASSOCIATION

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. We're pleased to be here in Sudbury this morning, day seven.

For the committee, our 9 o'clock has cancelled, but our 9:30 has agreed to accommodate the committee at this time, so I'll call on the Ontario Forest Industries Association to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning. The questioning in this round will come from the official opposition. I'd just ask you to state your name for the purposes of our recording Hansard.

Ms. Jamie Lim: Thank you. Good morning. My name is Jamie Lim.

While all governments are suffering from varying degrees of "carsickness" during their budget deliberations, the OFIA would like to remind government leaders that Ontario's forest sector has the second-largest positive balance of international trade in the province, just behind the auto sector, and has for the past five years weathered the economic storms that are now inundating Ontario's manufacturing heartland.

There is no denying that Ontario's forest sector was at the front end of the current recession, but it is critical for everyone to note that today our sector continues to employ 70,000 citizens directly, generates \$18.3 billion in annual revenues, and exports \$5.7 billion in wood products.

As Ontario works through this current recession and transitions itself into a new economy, the provincial government will be looking towards those industrial sectors that are able to not only meet the economic challenges that are in front of us but are able to do it in a responsible and environmentally sustainable way.

Beyond the current crisis, it's important that everyone knows that Ontario's forest sector has a very positive future. That is why we are asking government to maintain existing forestry programs throughout 2009 and implement forward-looking policy that will provide our

sector with the certainty it requires to complete its transformation.

Government programs to date have undoubtedly assisted viable mills—those that have taken aggressive action to reduce capacity, improve cost competitiveness, retool and invest in themselves—to continue operating throughout this crisis. I may add that it is these companies, the viable companies, that are positioned to become the foundation of Ontario's new green economy.

Simply put, we have the expertise, the infrastructure, and, most importantly, we have great opportunities to expand our sector by developing new green products and growing new exciting markets.

OFIA's pre-budget submission, which you have copies of, outlines how today's forestry products and sustainable forest management are increasingly being recognized as an important tool in mitigating climate change. According to the UN's IPCC, "In the long term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit."

Combine being environmentally friendly with the fact that Ontario, with its platinum, world-class forest management, has an extremely positive environmental reputation and, ladies and gentlemen, you have a massive opportunity.

The most obvious opportunity is our own provincial consumption. Currently, Ontario consumes more wood products than it produces. That in itself is a green light for growth.

Another new opportunity is the emerging bioeconomy. For the past 60 years, long before the term "biofuel" became sexy, the forest sector has been using biomass as fuel within its manufacturing processes. Today, our sector has cut its reliance on fossil fuels by more than half through the reuse of forest industry by-products, making us a leader in the reduction of greenhouse gas emissions. This innovation positions us well.

Just as a side note, just last month Grant Forest Products began manufacturing industrial wood pellets in this province.

Thirdly, new local construction markets are emerging for Ontario wood products. The UN's IPCC noted that "about 30 per cent of the projected global greenhouse gas

emissions in the building sector could be avoided by 2030 through green building choices.”

Building houses is not the only game in town anymore. Today, as demonstrated at Toronto’s eighth annual Wood WORKS! gala—you’ve got calendars from that gala that show this year’s winners—Ontario architects, engineers, designers, contractors and community leaders are making sound environmental choices by choosing local primary and secondary wood products for their commercial building projects.

You know what’s awesome? Ontario represents 42% of Canada’s commercial construction. That’s huge. Within the current building codes, without changing a thing, we have the opportunity to increase primary and value-added wood product sales in Ontario by four times the current levels. This represents an additional \$1.2-billion opportunity. And, ladies and gentlemen, that opportunity isn’t in some foreign jurisdiction; that’s in your own backyard, and it’s commercial construction.

Right now, British Columbia is working to change its building code from the current four-storey maximum so that commercial buildings six storeys or less can be built using wood products.

There is great momentum building in our province, our nation and our world for the sustainable use of local wood products, but beyond these local opportunities, it’s critical to note that when the current economic downturn comes to an end and global economies begin to rebound, other seeds of opportunity are growing.

It is predicted that global demand for forest products will increase by 2% to 3% over the years ahead as economies such as India and China grow. Between 2006 and 2007, exports to non-US markets increased by 6%. In newsprint, while North American markets are declining, global markets are increasing. So however challenging today’s conditions are, the future for Ontario’s forest sector is promising, but we need government to maintain existing programs and protect our future economic prosperity.

We also need government to recognize that just as you can’t have a healthy auto parts sector without a healthy auto sector, you’re dreaming if you think you can have a strong biofibre or value-added sector if you don’t have a strong primary sector in your province.

Today, the OFIA is making the following five recommendations.

0910

First, all of these opportunities need wood. Every time government policy removes large tracts of land from Ontario’s fibre basket—our backyard—economic opportunities and jobs are lost. It is truly that simple. As Ontario continues to move toward implementing its green economy, OFIA requests that the government continue to recognize its commitment to 24 million cubic metres of industrial wood fibre and ensure that the existing operational land base is not further eroded.

We ask, secondly, that you maintain the competitive measures that have been put in place since 2005, outlined on page 8.

Third, the OFIA requests that the government maintain the crown dues rates for poplar and birch that were introduced in 2008 at a rate no greater than \$1.07 per cubic metre for the next three years.

Fourth, many manufacturing sectors in Ontario are having difficulty coping with the numerous new regulations and programs that the Ministry of the Environment is implementing and proposing. The OFIA recommends that the impact of all new policy, standards and regulations be assessed for competitiveness before the government makes its decisions. As well, we’re asking for the harmonization and prioritization of all of these regulations. All of this is outlined in our submission.

Last—this is an ask not just for the forest sector but for manufacturing in Ontario—we ask that, to assist in restoring competitiveness to the province’s manufacturing sector, the government consider implementing a temporary industrial electricity rebate that makes Ontario’s industrial electricity rate competitive with other jurisdictions in Canada and the United States.

In conclusion, ladies and gentlemen, one thing is extremely clear: We are not my grandfather’s forest industry. As you contemplate billions of dollars of new money for the auto sector, we ask that you maintain the forest sector’s competitive steps that government put in place over the past three years. By maintaining these measures, you will ensure that Ontario’s viable companies complete their transformation and continue to support over 260 communities across Ontario and over 200,000 Ontario families who still, directly and indirectly, rely on the forest sector for their livelihood. For years, Foodland Ontario, a group that is funded with government money, has been telling us that “Good things grow in Ontario”—and it’s too early in the morning for me to sing that jingle for you.

Mr. Tim Hudak: Oh, go ahead.

Ms. Jamie Lim: No, Tim; I’m doing that for your benefit. I don’t want to hurt anyone’s ears this morning. But our hope is that you recognize that food isn’t the only good thing that’s growing in this province. Together, we can seize new opportunities, build on our expertise and infrastructure, and make Ontario once again a world leader with a sustainable new green economy.

Thank you, ladies and gentlemen.

That’s the first time in how many years that I haven’t asked you and begged you for more time? That was my Christmas gift to you. See, after Christmas I’m a little bit—you know. But I’ve left you with a bunch of stuff. I apologize: For the case studies, I have limited documents left, so I didn’t give you three copies of each, but these, ladies and gentlemen, are commercial buildings that are being built in Ontario right now using wood products. The most recent is this Microtel hotel; it’s a new chain to Canada. They’re building seven hotels in Canada. They have already built two in your province using wood, Ontario wood. That’s huge.

The other thing I left you was Canadian Wood, great messaging about why you should be ensuring the sustainable harvest of wood. Then there’s another document

called Tackle Climate Change: Use Wood. That again is a great source of why you should be promoting the use of your forests in a sustainable way to create jobs and prosperity for the province of Ontario.

With that, I'd love to take your questions.

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

Mr. Toby Barrett: Thank you, Jamie; we do appreciate it. Over the years we've had a number of presentations from the forest industry, for good reason, given some of the disasters that have been allowed to happen.

The auto sector is saying, you know, some more money to give them some time to complete their restructuring. Is the forest industry restructuring? Have you restructured, beyond downsizing?

Ms. Jamie Lim: Restructuring is painful because it means reducing capacity, especially when you're in a down market like this. I wish more people would focus on the companies that are still operating in this province. You've got some amazing companies that have managed to weather the storm, keep their doors open, continue to invest money. The companies that are presenting to you today have all invested money recently, not historically, in this province. That's huge—\$70 million in a new co-gen facility in Fort Frances. I'm not sure how much money was invested, but Grant Forest Products just built a value-added facility that you can ask Bob about. These are recent investments. These are the viable companies, not the sunset, the dinosaurs, all those sweet terms that everyone likes to use. These are the companies that plan on being a part of the future. You, as a government, should be looking at those companies and saying, "What can we do to ensure that you weather the next 18 months?"—2010 is when things are anticipated to turn around in the housing market.

The electricity rebate, for example: We're not asking about forever, but we're saying your electricity is out of whack. I've told you that every year that I've presented in front of you. What can you do in the short term, not in the long term, to help not just our sector, but the manufacturers that you have left in this province? Obviously, you have some winners. What can you do to keep them here instead of moving?

Mr. Toby Barrett: Another quick one, then Tim has a couple of questions: They mention biomass. There have been pellet burns at Atikokan and Nanticoke. Nanticoke, down my way—there's a lake freighter of coal that goes in there every day. Is biomass cost-effective? Is it energy-efficient to produce these little pellets to burn?

Ms. Jamie Lim: Well, I do know that it's more environmentally friendly than coal and that OPG has spent a lot of money with U of T doing studies that they just released or that they're about to release that show how well it can be used to replace coal and how it will certainly be a much more environmentally friendly choice. Having said that, is it cost-effective? Those are questions you'd have to ask OPG or the people who are planning to use it.

I will tell you that right now we're probably using about 15 million cubic metres of the 24 million cubic metres that are set aside for industrial use. Creating a new product like pellets would be an awesome way to create jobs in southern Ontario, the area that you live in, as well as in northern Ontario. It's a great way to build on your primary forest sector, in the same way that OSB was a brand new product in the late 1980s and 1990s and created something like 20,000 new jobs over a short period of time. There's huge opportunity there, and rather than having these ships bringing it in from Europe, it would be nice if we were making it at home.

Mr. Toby Barrett: Sure. Tim?

The Chair (Mr. Pat Hoy): About two minutes.

Mr. Tim Hudak: Okay. That's great.

Ms. Lim, it's great to see you again. Thank you for being here. You always make an outstanding presentation. I have two questions I'd like you to expand on—it's in your background material.

First, you talk about the importance of maintaining the 24 million cubic metres per year of wood fibre. Can you emphasize why that's important and why that's under threat?

Secondly, you've emphasized that while bioeconomy and such is a good opportunity, you must have a strong primary forest sector, otherwise that doesn't come along.

Would you mind expanding on both those points?

Ms. Jamie Lim: On the fibre basket, I think it's important for everyone to recognize that you have a lot of environmental campaigns right now that are approaching government and saying, "They're not using it; you've lost the sector; the sector has disappeared; it's not what it used to be; they're not using 24 million cubic metres. It's okay to make some more parks, it's okay to remove some large tracts of land, because they're not using it." Well, ladies and gentlemen, I have three kids who are being raised in northern Ontario, and I'd like to think that if one or all of them wants to return here and have a future and be able to work in the forest sector, that's going to be an option for them. Just because we're not using it today, in the worst market that has ever hit us—it isn't a time when you should be making policy, in today's market. That would be so short-sighted, and it would be selling our future. It's critical to protect that 24 million cubic metres of industrial fibre. That was what was identified in a government report, the Ontario Forest Accord, in 2000, as being what was sustainable, what we could cut and grow sustainably in Ontario. That's jobs, it's revenue for government and it's economic opportunity for communities.

0920

Secondly, on the bioeconomy—I'm sorry, Tim; I forgot what you wanted to know.

Mr. Tim Hudak: The importance of the primary sector—

Ms. Jamie Lim: Oh, the importance of the primary sector. We meet with OPG all the time about pellets and about where they're going, and they also meet with our companies. They're not interested in creating road infra-

structure and harvesting, in doing annual work schedules and forest management plans, and consultation with LCCs. They want to buy pellets. So when you have the expertise and the infrastructure of a primary forest industry, like you do across this province, not just in northern Ontario—a lot of my members are from southern Ontario—and you've got this wisdom, this knowledge, in how to harvest sustainably and responsibly, why wouldn't you want to ensure that you keep it?

The other thing is, you mentioned the auto sector is asking you for new money and for bailouts. I want to go on record as clearly stating that OFIA and our member companies have never asked your government for bailouts. We don't believe in selective company bailouts. If a company is no longer viable, a company is no longer viable. What we have asked you for is competitive measures that allow viable companies to compete globally. It's very critical for us to wake up every morning and ask ourselves: Are our policies competitive with the rest of the world? If they're not, make them competitive and then those good companies, those that you want to build on, will still be operating in your province.

The Chair (Mr. Pat Hoy): Thank you for accommodating us, Jamie.

Ms. Jamie Lim: Oh, no problem. Thank you.

ABITIBIBOWATER

The Chair (Mr. Pat Hoy): Now I would call on AbitibiBowater to come forward, please. Good morning. You have 10 minutes for your presentation. The questioning will come from the NDP in this round, and I would just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Rick Groves: Members of the standing committee, good morning. My name is Rick Groves. I am the forestry manager for AbitibiBowater in Ontario, and I would like to thank you for this opportunity to address you today.

AbitibiBowater has operations throughout the province of Ontario. Our annual sales for our Ontario operations only are in excess of \$1.2 billion; we're not small. The company directly employs over 2,700 employees and indirectly creates another 8,100 jobs. This company is committed to Ontario. Our proof of our commitment is the \$700 million it has invested in Ontario since the year 2000.

I would like to discuss with you today some of the initiatives we feel are paramount in importance to AbitibiBowater and the forest industry as they make their way through the economic downturn and move towards recovery.

There were a number of initiatives identified by the forest industry, and supported by this government, that have been tremendously important to our operations. My colleague Doug Murray pointed out some of the more pressing needs of the pulp and paper industry yesterday at the meeting in Thunder Bay. There, he described the growing concern our company has over rising power

rates, and you heard Jamie reference it as well. There is a growing urgency to address this issue and it is imperative that the previously announced government programs of demand response continue and that they function well.

When it comes to the woodlands operations, the area within my purview, the specific area of concern may be different but the message is clearly the same. The message is: Stay the course. These initiatives are working.

There have been a number of key measures that were identified and implemented to help restore the competitiveness of the Ontario forest sector. As an example, over the past two and a half years the government of Ontario has adjusted the crown charges associated with white birch and poplar. These adjustments had significant material benefit for the hardwood sector as well as integrated companies like ourselves, and in our case supported our continued production of our aspen pulp.

This initiative also helped the province of Ontario to more properly manage the land base. Much like some people believe the forest is nothing but pure packages of one species or another—you go into an operating block, you need to harvest all the species that are permitted. If you can't harvest all the species, your costs are down; if you can, your costs are up. So every company that receives wood from that particular block of property gains, not just the hardwood industry. This helps everybody and it helps the province of Ontario.

We were gratified to hear, at the pre-budget consultations with Minister Duncan, that these adjustments will continue.

There have been a number of other key measures that were identified and implemented to help restore the competitiveness of the Ontario forest sector that require this government's attention and continued support.

Programs like the road maintenance and construction funding, as well as the creation of the forest sector prosperity fund, to name a few, have stimulated activity, investment and confidence on the part of our company.

The Fort Frances biomass boiler received a \$22.5-million grant from the prosperity fund, but that grant supported an \$84.3-million investment in Ontario. That project is going live as we speak. That's an investment this year in the province of Ontario.

This is just one of three projects that have stimulated capital investment on the part of our company. This is a true and valuable business partnership. This is the kind of investment we need to continue. There are more opportunities for this to happen within AbitibiBowater operations.

The roads program has been very effective at reducing wood costs. This is one of the most critical inputs, along with energy, for our operations. It is important to note that this roads program has been beneficial to more than just the industry. In fact, those who use forest access roads for recreation, for instance, have experienced more roads that have continued to be maintained. During these economic times, companies cannot afford to maintain the entire infrastructure without some support. This is an infrastructure that belongs to the province of Ontario. It's

not an infrastructure that belongs to the industry. Still, this funding does not cover the entire cost of road construction and maintenance, and companies continue to have to make up the difference in the cost.

Again, however, in times that are financially challenging, we can only encourage you to maintain the course, to continue to support these programs, and continue to maintain an ongoing dialogue with our company and others in the progress and process of recovery.

Finally, I would be remiss as a forestry manager if I did not reference the need to maintain a sound and stable fibre basket from which to draw and develop. Access to a predictable, continuous supply of fibre is a fundamental component of a healthy forest industry and necessary for a company like ours to leverage future investment and to grow new products from existing infrastructure. One of the biggest critical components of that biomass boiler in Fort Frances was people like me committing to a board of directors that there was a continual supply of biomass. Without it, the project was dead. It was critical for us to understand it and be able to say the province of Ontario was committed to making that biomass available.

Today's forest products industry is more than wood, pulp and paper. It's the platform for the development of new products and industries like biofuels and bioenergy. However, we need a healthy primary industry to achieve the benefits of a value-added one.

To give you an example relating to the question we just heard: To create pellets, you use the parts of the tree that are not used for the remaining products. If you're not harvesting the tree and pulling it out for pulp or lumber, you're not generating those other parts of the tree that can be used for pellets. So if you don't have someone wanting to buy lumber or pulp, then you can't afford to make the pellets. Those are the things, those are the synergies and important criteria to have all aspects, and if the primary industry is financially stable, then you can afford to build the infrastructure, maintain the roads, do the forest planning, and at the same time bring out additional products that can be used for bioenergy and biofuels.

The overall message is simple: The programs put in place are valuable and have supported our company in the most challenging times. We need to continue to maintain these programs in order to facilitate the recovery and transformation of the industry that is so vital to this province.

AbitibiBowater wishes to continue to be a significant employer, consumer and income generator for this province. Please help us secure a long-term future. Thank you.

The Chair (Mr. Pat Hoy): Thank you. Questioning will go to the NDP. Mr. Prue.

Mr. Michael Prue: Yes, a question here on electricity: You say there is a growing urgency to address the issue. We heard from the previous deputant looking for a short-term solution for electricity rates, for a rebate. Are you looking for a short-term or a longer-term solution?

Mr. Rick Groves: I think you heard that message from Doug Murray in Thunder Bay yesterday. As I mentioned very clearly, I'm the forestry manager. Energy goes into the facilities. I look after trying to keep the company cost-competitive in the forest sector. So energy is not my area of expertise, but I think he shared with you the message.

Mr. Michael Prue: All right. But especially around the Timmins area or northeastern Ontario, we have heard that some of the logs, some of the pulp logs and other logs, are going over to Quebec to be processed. Is that true?

0930

Mr. Rick Groves: The province of Ontario has a set of rules that allows anybody, whether it's AbitibiBowater or not, to move wood to those destinations that it approves. It has to be offered to Ontario operations first, and only if there is no home is it offered elsewhere. The movement of that wood often helps the Ontario companies because in some cases, as I mentioned earlier, if you don't have a home for all the products, the cost of operating an area goes up or it becomes prohibitive and you cannot access them. So it's often better use of the resource, in some cases, to move some products to destinations outside the province when there is no home for them in Ontario.

Mr. Michael Prue: Is part of the reason it's going to Quebec because their power costs are less?

Mr. Rick Groves: I could not answer why the Quebec industry was operating at the time and why it was not.

Mr. Michael Prue: All right. Let's go over to the next question. The initiatives that were offered by the Ontario government—you're asking that they be continued. Has there been no indication from the government that they will be continued?

Mr. Rick Groves: There has been indication that they will be continued.

Mr. Michael Prue: Okay. So you're just asking again, even though you've already been assured?

Mr. Rick Groves: Programs change. We're asking you to stay the course, continue the commitment, and in some cases, such as the white birch one, we're asking it be extended.

Mr. Michael Prue: Now the Fort Frances biomass boiler: Are you looking, as a company, to do that across all of Ontario?

Mr. Rick Groves: The company will implement new boilers wherever it's cost-effective. We are completing the one in Fort Frances; we are exploring opportunities in Thunder Bay as we speak. Elsewhere we'll be depending on what we have.

Mr. Michael Prue: Does that depend on the amount of biofuel or biomass that's available?

Mr. Rick Groves: Biomass is one of the critical components in any one of those boiler projects. You have to be able to demonstrate that you have a significant amount at a reasonable cost, and a predictable supply.

Mr. Michael Prue: So is it your intention, wherever you have those three factors, to build the boilers?

Mr. Rick Groves: It all depends on the facility itself. I can only tell you from the forest perspective—the biomass; that is only one component of our project. The costs of that project would relate to other factors associated with the mill which I mentioned earlier. I'm not the mill expert. I couldn't tell you where and when it would be beneficial to do a biomass boiler everywhere.

Mr. Michael Prue: Thank you very much.

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

Mr. Rick Groves: Thank you.

ELEMENTARY TEACHERS' FEDERATION
OF ONTARIO,
RAINBOW TEACHER LOCAL

The Chair (Mr. Pat Hoy): Now I'd ask the Elementary Teachers' Federation of Ontario, Rainbow Teacher Local, to come forward. Good morning. You have 10 minutes for your presentation. There might be up to five minutes of questioning; in this round it will go to the government. I would just ask you to state your names for the purposes of our recording Hansard.

Ms. Pat Gordon: I'm Pat Gordon, president of the Rainbow Teacher Local.

Ms. Barb Blasutti: Barb Blasutti, vice-president.

Ms. Pat Gordon: The Elementary Teachers' Federation of Ontario, Rainbow Teacher Local, appreciates the opportunity to participate in the pre-budget hearings. The local represents approximately 650 teachers in the Sudbury, Espanola and Manitoulin areas.

Despite the current economic situation, ETFO and the Rainbow Teacher Local believe that this is not the time to withdraw from commitments to poverty reduction or to reduce investments in education or other social programs. Our youngest and most vulnerable citizens need a continued commitment from this government to improve their well-being and to build long-term capacity and sustainability.

Recently, the government announced that it was making a commitment to reduce child poverty rates by 25% over five years. This investment in the future of children is even more important now in the times of an economic recession. One of the benefits of an anti-poverty agenda would be the reduction of the gap in achievement that is often observed with students who live in poverty.

Educators in Rainbow are accustomed to addressing social issues in the classroom, poverty being the most common one. Our educators see the consequences of poverty on a daily basis: lethargy, inability to pay attention, inability to focus for long periods of time and behavioural issues, to name a few.

Recognizing how hard it is for children to learn when they are hungry, some of our schools have implemented breakfast and/or food programs. These are either funded by community groups, such as the Human League or Better Beginnings, Better Futures, or by the school. In some cases, it's the teachers themselves who purchase the food since other funding isn't available.

Poverty has a detrimental effect on a child's self-esteem, as it precludes them from participation in various activities. For example, the inability to afford the cost of organized recreation activities is a barrier that sets poorer children apart from their fellow students.

Teachers also see the effects of poverty in many other situations: for example, a lack of adequate clothing or the inability to afford medications or prescription glasses. Nothing reveals to their peers a child's socio-economic status as obviously as not being able to participate in the usual hot dog and pizza days. Students who have their basic needs met are more interested in learning and more willing and able to take part in school activities. Their improved levels of participation help them to reach their full potential.

As the government moves forward with its poverty reduction commitments, the federation encourages it to build on the current initiatives by raising the minimum wage, increasing investments in child care and expanding the availability of affordable housing.

It was very heartening to hear that the government was planning to introduce full-day junior and senior kindergarten beginning in 2010-11. Full-day kindergarten programs bring important benefits to the development of all children, but particularly to children from disadvantaged backgrounds. Current research demonstrates that full-day kindergarten programs contribute to school readiness, improve literacy achievement in higher grades, narrow the gap in achievement levels for low socio-economic-status students, improve retention rates and provide better integration of kindergarten into the elementary school system.

Full-day SK has been available to Rainbow students for many years. This program was originally designed as an add-on to the existing half-day kindergarten program with a focus on emergent reading and writing skills. Over time, the program has evolved into a popular and effective model that has benefited the young learners of Rainbow. As a Rainbow kindergarten teacher recently stated, "The benefits of a full-day kindergarten program are immeasurable. I have more time to spend with my students, especially those who need extra assistance. I am able to plan a wider variety of learning experiences tailored to the learning styles and academic achievement levels of my students. I know the children so much better since I spend all day with them. I have more time to address their individual needs through flexible planning and assessment."

ETFO supports a full-day model such as this that is play-based in its pedagogical approach, staffed by qualified teachers and located in publicly funded elementary schools. ETFO's priority objective is to close the gap of \$711 per student between elementary and secondary education. This gap has a direct impact on both students' learning conditions and teachers' working conditions.

Measures introduced since the Liberals formed government in 2003, such as capping primary classes and funding additional specialist teachers, have made a difference. However, with funding levels remaining

significantly lower, elementary education is still being short-changed in terms of funding for textbooks, computers, class sizes in grades 4 to 8, specialist teachers and teacher librarians. In Rainbow, for example, we have very few librarians or specialist teachers and we have some large grade 4 to 8 classrooms.

One of the concerns that we often hear from teachers is around the class size in grades 4 to 8. They tell us that it is becoming increasingly difficult for them to adequately meet the needs of their students when classes are large. Smaller class sizes across the elementary grades are important in light of the number of students with special needs who are integrated into regular classrooms. These students require individual programs and more individual attention from their teacher. Our teachers are concerned that larger numbers impact negatively on increased expectations around assessment and reporting and their ability to provide the individual instruction that their students need.

The funding of additional specialist teachers did result in some teachers being added to the arts program in Rainbow, but not many. This year, for example, we have one itinerant music/dance/drama teacher and half a teacher for visual arts for kindergarten to grade 8 for all of our elementary schools. Teachers have expressed their appreciation for the assistance and instruction they received in the arts through the limited visits of these teachers and have continuously indicated that more visits by specialist teachers would benefit their students. Some of our junior and intermediate students have access to instrumental music at their schools with opportunities to participate in the school band. Some of our schools, often the schools where the students would most benefit, do not. They are disadvantaged because specialist teachers are not available, nor are the funds for music instruments.

The Ministry of Education has directed considerable resources and attention to improving elementary students' achievement levels in literacy. It is ironic that well-stocked school libraries and teacher-librarians do not seem to be part of the literacy plan. In Rainbow, we have no full-time librarians, with most schools being staffed with a 0.25 library teaching assignment. This allotment does not provide for consistent library time for students.

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Good school libraries are also important to our lower socio-economic students, through access to books, computers and other learning materials. Well-stocked and well-staffed school libraries should be a part of the literacy initiative. Instead, school libraries are not being replenished and trained teacher-librarians are quickly becoming non-existent.

This year, for the first time in many, we have an elementary teacher working in the area of design and technology, but only in two schools. Family studies programs are not available to Rainbow students. These programs relate to students who are more successful in a hands-on environment and have been shown to be a factor in reducing dropout rates.

Investing in small class sizes, full-day kindergarten, design and technology programs, specialist teachers, and teacher-librarians will enhance elementary school programs. This will also help to mitigate the job losses among teachers during this period of declining enrolment that Ontario is experiencing. These investments will also contribute to improved levels of student achievement, narrowing the achievement gap among students, and will increase public confidence in our public education system. Our students deserve a continued investment in elementary education.

We have three recommendations around the report:

(1) that the government expand its poverty reduction plan to include immediate increases to the minimum wage, increased investments in regulated child care, and more affordable housing;

(2) that the government commit to closing the gap in per pupil funding between elementary and secondary education; and

(3) that the government allocate sufficient funding to ensure that its planned full-day kindergarten programs are staffed by teachers certified by the Ontario College of Teachers, located in publicly funded schools, and supported by before- and after-school child care programs.

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

Mr. Wayne Arthurs: Pat and Barb, thank you both for being here this morning. I know that with the size of Rainbow and some of our school boards, it's a bit of a challenge, obviously, with the distances you have to cover.

I think I can provide some level of assurance on your earlier comments regarding reducing investments. I don't believe that our Premier would entertain a reduction in investments. I guess the challenge will be to determine at what pace one can increase that investment level. But I think the Premier has been clear on what his objectives are. On the poverty front, as well, he has been quite clear publicly that that agenda will not be allowed to fall off the table, irrespective of our current economic climate. So we'll have to wait for the budget in and of itself, our recommendations, and the development of the budget by the minister to determine exactly how that's going to flow forward.

Can you tell me a little bit about the challenges you're facing now in the context of enrolment in particular, with the geography you have to deal with and with the population you're dealing with? Are the enrolment structures declining? If so, how is that affecting your ability to deal with class sizes, in particular, whether it's primary and the cap, or in the junior and intermediate grades?

Ms. Pat Gordon: We do have declining enrolment in the Rainbow board, and it has been going down steadily over the last few years. We have experienced some more schools that would possibly be looked at for closure—putting schools together, if they're in the outlying areas. In some of the city schools, class sizes becomes more of a problem, because that's where we do experience the larger sizes; not so much out in the outlying areas,

although I must say that in one of our outlying areas, in a small town, they are reporting that they are having large-class-size issues in grades 4 to 8.

Mr. Wayne Arthurs: Mr. Chairman, I believe Ms. Pendergast has a question or two.

The Chair (Mr. Pat Hoy): Ms. Pendergast.

Ms. Leeanna Pendergast: Thank you both for being here this morning.

I do want to focus on a couple of things that you've put forward in your presentation.

This government has spoken about primary class sizes at length. First of all, we have an education Premier. I speak to you now as an educator of over 21 years in our schools and dedicating my life to students, so having lived through this over the course of several governments. In 2003 we all saw changes to education and improvements to class size, to the student success program of this government, more adults in school—children and youth workers—doubling the student nutrition program. As a principal, seeing these supports and the difference they make to children in our schools, we can all agree these have been incredible and significant improvements to both student programs and to teachers as well, to staffing.

In the 2008 budget that this government is proposing, the grants for student needs, we're talking about funding school boards \$18.8 billion, an increase of \$315 million. The dollars are there in the schools, even in times of fiscal restraint.

To take that one step further, my question is, how can schools and teachers and federations work together better with community partners and community resources that already exist to partner and to bring those resources into the schools?

Ms. Pat Gordon: I think that there are opportunities for that to happen. I think there's a lot of dialogue that needs to go on around that. Definitely, the educators within the school have to have the ability to determine how their children are going to be taught, how they're going to be educated. They have to make those decisions.

Certainly, we have had community partners in the Rainbow board. They have worked together at times in some schools, and some throughout the whole of the district. Exactly who those partners are, I couldn't tell you offhand. Probably the Rainbow District School Board would have a better ability to tell you that.

Ms. Leeanna Pendergast: But fundamentally, you would support that concept of teachers partnering with community resources and service agencies to better serve the needs of our children?

Ms. Pat Gordon: I think that if there is dialogue around how those community partners could come in and how they could be helpful, yes; not just a case of, "Yes, let's bring them in and let's have them all here and we'll all work together." If there's a need for it, I'm sure we could work that out. Still, teachers, principals, school administrators and board administrators are the ones who deal with the children's needs, the curriculum, and all of the other things that are involved with this.

Add-ons—sure.

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

GRANT FOREST PRODUCTS

The Chair (Mr. Pat Hoy): Now I would ask Grant Forest Products to come forward, please. Good morning. You have 10 minutes for your presentation. The official opposition will be asking the questions in your round. I would just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Bob Fleet: Thank you. Good morning. My name is Bob Fleet. I am the vice-president of woodlands and environment for Grant Forest Products for all of our operations throughout North America.

Grant Forest Products is an Ontario-based international forest products company with our head office in Toronto, Ontario. We operate five oriented strand board mills: two in Ontario, one in Alberta and two in South Carolina. We also operate a value-added coated wood mill in Earlton, Ontario, and we just began manufacturing wood pellets, also in Ontario. We were motivated to build our value-added coated wood mill in Ontario because of an existing Ontario government program, the forest sector competitiveness secretariat prosperity fund, administered by the Ministry of Natural Resources. In short, I would describe our company as job creators.

Four of our five OSB mills are the largest operating OSB mills in the world, with Englehart, Ontario, still holding the title of largest operating OSB mill in the entire world. That mill employs 150 people directly and 450 people indirectly. It generates to all levels of government \$40 million of taxation per year. Between the direct and indirect employment, it generates a payroll and payroll burden of \$45 million per year—this in the town of Englehart, with a population of 1,500 people.

Numerous OSB mills throughout North America have struggled during this protracted housing recession. We are now entering the fourth year for the downturn in housing. Many of the smaller, older, first-generation OSB mills have closed permanently. Some of those were in Ontario. More will close before we're out of this current recession.

For the most part in Ontario, the forest industry has completed much of the restructuring and belt-tightening that was necessary, firstly, to compete on the global stage, and then to weather the economic storm that is now affecting literally every sector. We have been at this longer than auto or banking or mining or retail, and so the forest sector is closer to having completed the restructuring that others are only now just beginning. More mills will close, but if Ontario acts wisely, those closures will be elsewhere.

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As Ontario works through this current recession and transitions itself into a new green economy, the provincial government will be looking towards those industrial sectors that are able not only to meet the economic

challenges that are in front of us but that are also able to do so in a responsible and environmentally sustainable fashion.

Grant Forest Products, for example, in all the different jurisdictions in which we operate, is either certified to FSC or CSA or SFI. Those are acronyms that, if you're in the business, are third-party recognition of your good, sustainable track record.

Beyond the current crisis, Ontario's forest sector has a very positive future, and that is why we are asking government to maintain existing forestry sector programs throughout 2009 and implement forward-looking policy that will provide our sector with the certainty it requires to complete its transformation.

Government programs to date have assisted viable mills such as Englehart that have taken aggressive action to improve cost competitiveness, retool and invest in themselves, to continue operating throughout this crisis. It is these mills that are positioned to become the foundation of Ontario's new green economy.

Simply put, we have the people who have the expertise, we have the infrastructure, and most importantly, we have great opportunities to expand our sector by developing new green products and growing exciting new markets.

Combine being the environmentally friendly choice with the fact that Ontario, with its platinum world-class forest management, has an extremely positive environmental reputation, and you have massive opportunity.

Another new opportunity that is emerging is the bioeconomy. For the past 60 years, long before the term "biofuel" became sexy, the forest sector has been using biomass as fuel within its manufacturing processes.

Today our sector has cut its reliance on fossil fuels by more than half through the reuse of forest industry by-products, making us the leader in the reduction of greenhouse gas emissions. At Englehart, for example, we use the tree bark as fuel for process heat. This reduces our dependency on the use of natural gas and coal-generated electricity.

Our sector is also well positioned for manufacturing pellets to meet the growing demand for renewable energy as our province moves away from coal. As a side note, last month Grant Forest Products began manufacturing pellets in Ontario using existing mill by-products that were previously being sent to landfill sites. This product is flying off the shelves and we can't keep up with demand. We're producing over 1,000 bags of pellets per day right now, and if we miss a load for a snowstorm, the retailers are calling us and asking us what went wrong. We only wish we could access more capital so that we could produce more pellets. Programs such as the prosperity fund, which is coming to an end in 2008, are the kinds of programs that provide us with access to the capital that we need to do more of the same.

We also support OPG's tentative decision to replace coal-generated electricity with pellet-generated electricity. All the money now spent buying coal out of province or out of country can now be spent buying pellets

manufactured in Ontario. In addition, pellets are a renewable source of energy and will likely contribute to our achievement of Kyoto targets.

There is great momentum building in our province, our nation and the world for the sustainable use of local wood products, but beyond these local opportunities, it is critical to note that when the current economic downturn comes to an end and global economies begin to rebound, lots of opportunities will rebound or appear for the first time. It is predicted that global demand for forest products will increase by 2% or 3% over the years ahead as world economies emerge. Growth of 2% to 3% per year is absolutely phenomenal.

Governments in New Zealand, Quebec and British Columbia have passed laws or bylaws encouraging either the use of wood or the use of more wood in buildings that use public funds—so any of the schools, for example; two-, three-, four-storey hospitals. Other jurisdictions are looking at ways to support the forest sector by saying, "If you're going to build a building with public funds, at least look at an option that uses wood."

We need government to recognize that you can't have a healthy auto parts sector without a healthy auto sector, and you can't have a healthy biofibre or value-added industry without a strong, well-integrated primary forest sector. To access forest biofibre to generate electricity, you need an existing, strong primary forest industry writing management plans, building roads and cutting trees so that the bio-energy subsector can follow behind and capture the by-products needed to produce bio-energy.

As an example, the new coated wood mill that I spoke of in Earlton, that was built with access to the prosperity fund program, would close if our Englehart facility closed. So it's just like the auto parts: If you close the plant, you have to close the auto parts makers too.

Today, Grant Forest Products, an OFIA member company, is supporting the OFIA's five recommendations:

First, maintain the industrial fibre basket. All of the opportunities need wood. Every time government policy removes large tracts of land from Ontario's fibre basket, economic opportunities and jobs are lost. As Ontario continues to move toward the implementation of a green economy, we request that the government continue to recognize the commitment to 24 million cubic metres of wood per year.

Maintain the competitive measures that have been put in place since 2005: road maintenance, forest resource inventory, wood promotion, the prosperity fund, the loan guarantee program and the electricity program for pulp and paper.

Maintain the poplar and white birch stumpage dues program at \$1.07. The most compelling example I can provide you today is when the budget was introduced for 2008 and became effective, I think, on April 1 with the government fiscal year; at that time, for five weeks ahead of that time, our Englehart mill was closed. We were paying \$4 to \$5 for crown dues and the budget last year reduced that to \$1. It was one of the major contributing

factors to us reopening our Englehart mill, our flagship mill and the largest mill in the world.

Ministry of the Environment: We're not saying don't do the things that the Ministry of the Environment and the government want to do. We're just saying that we can't cope with it right now, so please pick the number one priority and implement it and put the other ones aside until we get out of this recession.

Industrial electricity rebate: Government should consider implementing a temporary industrial electricity rebate that makes Ontario's industrial rate competitive with other jurisdictions. We run five mills in three jurisdictions: two provinces and a state. We're at a point, frankly, where choosing between jurisdictions—if something doesn't change with respect to electricity, Ontario's the jurisdiction that's going to lose. As I sit in my dining room at my house in northern Ontario I literally look at the province of Quebec. That's how close to the border I do live. I drive 50 kilometres to work. I could drive over to Quebec, 20 kilometres to my nearest competitor, and they pay 40% less for electricity. So it clearly is a boardroom decision with respect to which mill to keep open and who's going to be more competitive than us, and electricity is a major problem for us.

So as you contemplate billions of dollars of new money for the forest sector, we ask that you maintain the forest sector's competitive measures that you've previously put in place. We don't object at all to you helping the auto sector in Ontario, but please don't do that at the expense of the programs that are in place, that are helping the restructured forest industry, the viable mills and the viable companies that are operating in this province. We don't want that to be done at their expense. We don't want to see those facilities have to close.

Thank you.

The Chair (Mr. Pat Hoy): And thank you. This round of questioning goes to the official opposition. Mr. Barrett.

Mr. Toby Barrett: Thank you, Mr. Fleet, for the presentation. You talked about a thousand bags of pellets a day. Is this for local wood stoves or something, or what is that product for?

Mr. Bob Fleet: The thousand bags a day that we're producing right now are being sold retail. The homeowners who are not on natural-gas-accessible locations have flocked to wood pellet stoves over the last number of years. As the prices have increased, and with a number of closures of the primary forest sector in Ontario and elsewhere, the availability of sawdust, which is used to make pellets, has dramatically declined. There's actually a huge pellet shortage right now in all of eastern North America.

We were, in fact, landfilling sawdust at our facility, and we decided to jump into the pellet business. Yes, it's retail for now. We're also test driving, on a small scale, the manufacture of pellets, so that when OPG decides that they're going to do this on a grand scale we'll know what we're doing and talking about so that we can work with OPG as well.

Mr. Toby Barrett: When we talk about that grand scale—I have the Nanticoke Ontario Power Generation facility down my way. Every day a lake freighter comes in full of coal. Would we have the supply and the facility to move that down the lakes, say, from this area to Lake Erie to the St. Clair River for the other plant?

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Mr. Bob Fleet: If all the mills that are in Ontario right now, both open and closed, were to reopen, you might get close, depending on—because there are sawmill residuals that are not being produced right now that could be turned into pellets. If some of the mills don't reopen, then there would be raw fibre available to make pellets. So I think the answer is yes.

Mr. Toby Barrett: How about the impact on the price of wood? If the grand scale did develop, is that going to be a problem for the industry?

Mr. Bob Fleet: I have colleagues in the industry who have expressed the concern that if you create the demand—I think the total demand at Nanticoke could be for as much as seven million or eight million tonnes of wood converted into wood pellets. If you create that new demand, then I think those of us in the business are nervous. At the same time, there are mills in Ontario that have permanently closed and freed up available fibre. So there's a supply-and-demand restructuring that will occur if Ontario Power Generation does convert to pellets.

Mr. Toby Barrett: Mr. Hudak has a couple of questions.

Mr. Tim Hudak: I want to follow up on a part of your presentation and Jamie Lim's presentation on the access to the fibre basket. The government has its boreal initiative—I'm not sure if that impacts on Grant particularly, but it does impact the industry—the Endangered Species Act etc. Could you give your view to the committee on this incursion on the fibre basket and the impacts on the sector?

Mr. Bob Fleet: I've been working now in Ontario for 28 years. I worked 14 years inside government for the Ministry of Natural Resources and 14 years outside of government for Grant Forest Products, so I have seen this question from both sides—if you can say there are two sides—and through a number of governments and a number of Premiers and ministers. There seems to be a propensity, irrespective of the stripe, to want to leave a green legacy. Every time a government decides they want to leave a green legacy, that becomes a park in northern Ontario or a program in northern Ontario that restricts our access to fibre.

The huge concern that the forest industry has right now is that because we're almost in the worst recession that hopefully we'll ever see in our lifetime and so the demand for that forest fibre is at the lowest, hopefully, we'll ever see in our lifetime, it's very easy to say, as the campaigns are saying, "They're not using it anyway; let's make more parks." It's very easy for governments to agree and to make more parks, but you're robbing us of our ability to earn a living and you're robbing our kids of their future, in terms of good, well-paying jobs that

generate taxes to fund programs, like the previous speaker was asking about moments ago.

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

ONTARIO COALITION FOR BETTER CHILD CARE

The Chair (Mr. Pat Hoy): Now I call on the Ontario Coalition for Better Child Care to come forward, please. Good morning. You have 10 minutes for your presentation. The questioning will come from the NDP in this round. I would just ask you to identify yourself for the purposes of our recording Hansard.

Ms. Tracy Saarikoski: My name is Tracy Saarikoski. I'm the co-president for the Ontario Coalition for Better Child Care.

The Ontario Coalition for Better Child Care is a non-partisan advocacy organization representing 500 organizations and individuals in the child care and early learning sector.

Actions taken in this budget could mean the difference between a brief, shallow recession and a long-term economic crisis. It's also an opportunity to contribute to a strong and vibrant modern economy. We know this means investing in the development of a child care and early learning system for Ontario. Restarting Ontario's economy will require access to affordable child care, and sustaining growth and prosperity over the long term is dependent on the quality of the care provided.

Child care, like no other public investment, is critical in times of serious economic uncertainty. Early childhood education and care can generate economic activity and stimulus. People can't work without child care. Modern families use child care services every day to work and study. More than 70% of women with children under six are in the workforce in Canada, and an even higher proportion of fathers. Child care stimulates local economies. The sector employs a lot of people, and lower costs to parents free up dollars for local spending.

Quality child care makes us more economically competitive. There are immediate tax revenues generated from parents who are working and over the long term a healthy productive workforce is created.

Access to quality child care reduces social and health services costs later in life. Child care is an investment and not a cost. There are long-term economic gains—a return of 2 to 1 at a minimum, and 1 to 17 at a maximum for more vulnerable populations.

Proven to reduce the rates of child poverty, we applaud the Ontario government's goal to reduce poverty for children by 25% in the next five years. However, you can't reduce poverty without creating a system for child care. Quebec's investment in child care has resulted in a 50% drop in their child poverty rates in 10 years.

These things can't happen without investments in child care and early learning. The Ontario Liberal election platform in 2003 promised \$300 million in new

provincial funding. This commitment needs to be acted upon now.

Ontario's child care sector is already in crisis and needs investment commitment to be a part of an economic recovery. The federal funding to over 20,000 Best Start spaces in 2005 is coming to an end and to date there is no public plan for the government of Ontario to replace these dollars. The threat of the loss of Best Start is a serious strain for both Ontario families and services providers. Long-established child care centres and lab schools at our colleges have been forced to close over the last year. Parents are having a tough time affording quality child care, if they can find it. In Toronto alone, 13,000 families are on waiting lists. Existing child care centres report difficulties attracting and retaining qualified staff due to low wages, no benefits and poor working conditions. In fact, instead of being a leader, Ontario has fallen terribly behind. It was no surprise that Canada ranked last among 25 wealthy countries last week in a UNICEF report card on child care.

Ontario needs a plan with financial commitment for child care in the 2009 budget. The investment must reduce costs to parents, provide improved access to quality services, expand services delivered in the public and not-for-profit sectors, and improve wages and working conditions for our educators. It's time for a public child care system.

I come today also as an executive director of a non-profit, licensed child care program. I have two Best Start sites, so I'm living and breathing Best Start right now. We service 300 children a day in three locations, and it's hell. The silos of funding are very difficult, so I ask personally that you address those silos. Thank you.

The Chair (Mr. Pat Hoy): The questioning will go to the NDP and Ms. Gélinas.

M^{me} France Gélinas: Sure. Good morning.

Ms. Tracy Saarikoski: Good morning.

M^{me} France Gélinas: Thank you for coming. My first questions will have to do with—you've talked about the Quebec model. I take it you refer to the model where the parent pays \$7 a day for child care. Do you know how many more child care spaces would need to be created in Ontario in order for this to be successful?

Ms. Tracy Saarikoski: Exactly the number? No. Probably more spaces would have to be created, but at least it would be a start for system building. All the spaces weren't created in Quebec day one when it was opened up. They had to gradually feed the process through into different age groups. Perhaps, with Dr. Charles Pascal's recommendation to the government with a possibility of full-day learning for four- and five-year-olds, that's the beginning of a system, but hopefully it's not the end.

When Quebec moved forward with that model it was in a down time in Quebec as well, and that alone definitely lifted the spirits of the families in saying, "You know what? I can do something better for our family." Accessible, affordable quality child care is there and every year they expand the system, so that would have to happen.

Best Start was a great start in expanding the system. Locally, in Sudbury, we exceeded the spaces that we were supposed to try to produce. We still have enormous wait-lists with having those excess spaces, because the wait-lists are for infants and toddlers and Best Start really wasn't supposed to address those ages at the beginning.

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M^{me} France Gélinas: You talked about 13,000 families in Toronto on the waiting lists. Do you have an idea, here, in and around Sudbury or the northeast, what the waiting lists are like?

Ms. Tracy Saarikoski: In Sudbury alone, we're about 2,500 on a wait-list. We're currently moving to a centralized wait-list, so these numbers are a little bit more accessible. Come January, families will go online and register for all child care centres at one time in our cities. So right now those numbers are those who are currently on a wait-list, but once families realize the importance of licensed quality child care and, hopefully, the full-day early learning funding, I'm sure those numbers will grow rapidly.

M^{me} France Gélinas: Would you know how many of either the 13,000 families or the families in Sudbury or province-wide are waiting for subsidized child care versus parents who are able to pay, just wanting a spot?

Ms. Tracy Saarikoski: Because you're able to download and run your municipal dollars the way that the municipality wants to run, our subsidized dollars are attached to the parent, whereas in Ottawa, for example, the subsidy dollars are attached to the child care centre. So you could be full-up with full-fee-paying families or subsidized families and really have to watch your dollars by the end of the year, because they're not attached to the parent. Here in Sudbury, families often don't know if they've qualified for subsidy until they have their spaces. To give you a true impression, it's really difficult because parents can't find out. The new formula is starting to help but, still, there are really difficult interpretations of that formula.

M^{me} France Gélinas: Okay. I'd like to talk a little bit about the problem of recruitment and retention of personnel. Could you give us some examples of some proactive policies that can be put into place so that we solve the problem of retention and recruitment?

Ms. Tracy Saarikoski: The biggest one would be funding. Front-line educators are not paid what they deserve. They have a two-year diploma from a college and more—some have degrees on top of that—and they're not recognized for the work that they're doing. An entry-level college graduate of two years is making at least \$20,000 more a year than what an early childhood educator would make at that starting rate.

Looking at the wages and wage enhancement grants that our governments give us, again, they're based in a silo—"Oh, those people are going to get a Best Start wage enhancement grant; these people get a Day Nurseries Act wage enhancement grant." We need to eliminate the silos and have some direct funding, which

would help our operating bottom-line costs and pay educators what they deserve.

Our community here in Sudbury is very proactive and we've actually formed a committee for retainment, recruitment and regaining the quality educators in our community who have left us and gone to work at Costco and Tim Hortons. They go to these organizations because of benefits. We have front-line educators in our centres who don't even have benefits. There's no pension plan. Those would be direct things that our government could be looking at.

Here in Sudbury, we're offered the new grant upgrading program to get your diploma after your working day. It's through the Internet; it's through two-week study blocks in the summer and on weekends in the wintertime. These educators are working a full, long day, all day with children, and then having to do full-time studies as well. At least there's some grant money, so some of my educators on my team took this on. This needs to be ongoing; it has been for a second year, but it definitely needs to be something that we look at every year so that we can get the number of qualified staff in our workforce, because there are lots who are otherwise approved, as the ministry calls it, allowing them to work with certain conditions in that specific centre, but it's not really doing enough.

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

DOMTAR INC.

The Chair (Mr. Pat Hoy): And now Domtar Inc., please. Good morning. You have 10 minutes for your presentation. The government will be asking the questions in this round. I'd just ask you to identify yourself for our recording Hansard.

Mr. Brian Nicks: Thank you, Mr. Chair, and members of the standing committee. Thank you for once again holding pre-budget consultations here in north-eastern Ontario and for granting me the opportunity to address your committee.

My name is Brian Nicks. I am Domtar's director of forestry for Ontario. I'm based in the town of Espanola, which is just an hour west of here, and have been an Ontario registered professional forester with government and industry for nearly 30 years.

I'd like to present some reflections and some recommendations regarding the economic situation facing our company and indeed the broader forest industry in Ontario. By now you have heard from various regional and provincial organizations about the severe financial and human toll extracted by the early recession Ontario's forest industry has already faced for more than two years—up to four years, depending on the sector one finds oneself in. In my estimation, nearly 50% of industrial capacity—in lumber, pulp and paper and panels, plus the logging industry—has been idled, most of it indefinitely and some of it, unfortunately, permanently. Those companies that still operate are the survivors—for

now and hopefully forever—but are by no means out of the woods given the global credit crisis, the low-cost foreign competition we face, secular paper demand declines and a US housing market not expected to fully rebound until at least 2011, although we're hopeful for signs of a rebound at the end of 2009 and into 2010. But this is truly a serious business situation we find ourselves in.

In response, we at Domtar have been forced to permanently close a number of our Ontario mills, at Cornwall and Ottawa, which were paper mills, and most recently the paper mill portion at Dryden, after 100 years of paper production. We have chosen instead to focus on those mills that are more strategic and more competitive, such as Dryden's softwood pulp mill, the Espanola specialty pulp and paper mill, an hour west of here, and our Nairn Centre, Timmins, Elk Lake, Gogama and Ear Falls sawmills. We also have a value-added mill in Sault Ste. Marie that we're supporting. However, even those facilities remain on constant watch as markets decline, as prices fall and costs remain stubbornly high in comparison to our global competition. It will require the extraordinary commitment and creativity of our 2,000 Ontario staff, employees and contractors, assisted where possible by our government partners—and I mean that sincerely—to weather this continuing and unprecedented storm.

At Domtar, our survival strategy is focused on a variety of areas, three of which the Ontario government can meaningfully contribute to in 2009 and beyond.

Firstly, we need a secure long-term fibre base that meets present and future volume needs and provides a compelling incentive for boards of directors who may not be in this country to invest scarce capital in Ontario. Particularly given the existence of alternative investment jurisdictions and the mobility of capital, there is a need to dispel the growing perception that Ontario is more about forest preservation than about forest management. By that, I mean a balance is appropriate and required to attract investment. Proposed tenure reforms which the government may be contemplating need to enhance and not diminish business certainty. Indeed, a formal government commitment to supporting the 24 million cubic metres per year of total commercial fibre used by the forest industry during normal market periods, which we expect to return because it is a cyclical business, would send a powerful and reassuring signal to investors.

Secondly, we need that secure fibre base to be both affordable and competitive, which it most certainly is not on even a North American, let alone a global, basis, despite the good efforts of the government and the industry over the last two or three years. Ontario-delivered softwood pulp fibre costs, for example, in 2007 were 14% higher than those of British Columbia, and a disturbing 52% higher than the US South's, which is a major competitor of this province in the softwood pulp sector. Government can help level this tilted playing field by maintaining the current \$3 per cubic metre stumpage reduction on intolerant—that is poplar and birch—hardwoods. Something to consider, if it can be done, is to

reduce base stumpage on softwood pulpwood as well by at least \$2 per cubic metre to compete with western Canadian provinces, such as BC, Alberta and Saskatchewan, and by exempting the off-highway hauling of raw forest products from provincial fuel taxes.

1020

The other beneficial programs that have been proven to be successful and helpful in our wood costs that must continue are the Ontario forest roads program, which shares the cost of building and maintaining public forest infrastructure between government and industry; and the forest sector prosperity fund, which provides some capital monies, the vast majority coming from the private sector, to invest capital for value-added facilities, energy projects etc. Since fibre accounts for about 35% of a pulp mill's input costs and 65% of a sawmill's input costs, I can't overstate the urgency of dramatically reducing current costs of fibre to at least North American average levels if we are to survive.

Thirdly, we require competitive long-term industrial electricity rates, as you've heard from some of my colleagues. The northern pulp and paper electricity transition program, which is scheduled to end in 2009, in our view must be extended, since even after the \$10-per-megawatt-hour rebate, our net rates remain 45% higher than Quebec's and 65% higher than BC's industrial rates. Other needed measures could include a buy-all, sell-all arrangement on internally produced electricity from green energy sources such as black liquor and forest biomass, which are routinely burned at pulp mills, whereby such energy could be deemed to be sold to the Ontario power grid at green energy rates, with actual consumption purchased back at conventional industrial rates. Such an approach would also recognize the forest industry's historic leadership in carbon-neutral power generation, and in the case of our company would confer approximately a \$12-million annual benefit as we struggle with rapidly falling softwood market pulp prices declining from perhaps \$800 a tonne to \$500 to \$550, which is below the cost of production.

Domtar and its predecessor companies have a 150-year history of forestry and mill operations in Ontario. As mentioned, we currently employ more than 2,000 people in northern Ontario. We also contribute well over \$1 billion annually to Ontario's economy through the purchasing of goods and services, and half of this comes from companies and suppliers based in southern Ontario. We are also proud of our achievements in sustainable forest management, in Forest Stewardship Council certification—in which we are a leading company—in community support and in the employment of hard-working men and women who produce high-quality Ontario products every day.

Recognizing Ontario's challenging fiscal situation in 2009, we are not asking for either a bailout or a handout. Rather, we seek the continuation of the effective government initiatives that have been in place since 2005 and some targeted new measures, if they can be afforded,

directed at approaching parity with our global competitors in wood and electricity costs.

With the recent downturn in Ontario's base metal mining industry, including in the Sudbury basin, we are all reminded once again of both the fragility of northern Ontario's economy and the need for economic diversification. Our forest industry has always been a part of that diversity, and always will be if it's provided with a competitive future investment climate.

Please continue to work with us in 2009 to create that climate of hope and opportunity. I thank you for your attention and wish you much success in your deliberations.

The Chair (Mr. Pat Hoy): And thank you. The questioning will go to the government. Mr. Sousa.

Mr. Charles Sousa: Thank you, Mr. Nicks, for your presentation. Chair, I'll be sharing my time with Jean-Marc Lalonde.

I appreciate your presentation and also congratulate you on weathering the challenges that you've faced over these many years, in fact. The fact of the matter is that the forestry industry, those that are around, are the ones that we look to to bring us forward. I appreciate that what you're looking for is a competitive environment, a level playing field, so that we can move forward.

Some of the previous members before us have talked about the prosperity fund and certainly some of the reduction in crown charges to try to facilitate the industry going forward by this government. They're asking for us to maintain the programs in order to facilitate this recovery and transformation.

What, in your opinion, is the impact to the wood pellets and the biomass that are being suggested for the electrical system? I know that was one of your suggestions in terms of trying to become more competitive there. Can you give us your impressions on that?

Mr. Brian Nicks: The impact of those programs on the wood pellets, or the impact of those—

Mr. Charles Sousa: Well, the wood pellets that are being proposed for—

Mr. Brian Nicks: What would the impact be on our industry?

Mr. Charles Sousa: Yes.

Mr. Brian Nicks: There are two sides to the coin: possible problem, possible opportunity. It depends on the nature of the fibre, where it's drawn from and the species and so forth. To the extent that it's an adjunct, an addition to industrial activity, that's all great. It's also great from a forest management perspective to be taking low-grade hardwoods out of tolerant hardwood stands in central Ontario, because the hardwood pulp industry is disappearing. Mills have closed both in Ontario and Quebec—central Ontario and central Quebec. So there is a resource sitting idle that can be accessed without harm to the current industry whatsoever and can be used, potentially, to replace coal, I would suggest, in southern Ontario. That's a huge opportunity, in our mind, that doesn't conflict with industry.

As we go farther north, and if the biomass industry scales up and begins to take full trees, tree trunks and

bole wood from the back yard or in the timber basket of the existing industry, then that's a competitive issue—not that we mind competition; we face it every day—but I guess it depends on the pricing structure that's paid to the suppliers of biomass by OPG, for example. Would they have an advantage over us?

I can't give a simple answer to it other than I think it represents, in general, an opportunity, and an opportunity for our industry to participate as well, through adding on more cogeneration facilities to pulp mills and sawmills, and partnering through joint ventures with bio-energy companies; I think that's a real possibility, as long as it doesn't erode the basic fibre base for the fundamental primary industry.

The Chair (Mr. Pat Hoy): Mr. Lalonde, we have about two minutes.

Mr. Jean-Marc Lalonde: I really have two questions. You say that the newsprint requirements in North America are declining at the present time, but according to the OFIA presentation this morning, the global market is increasing. To stay competitive, what do you think the provincial government should do to help you out?

Mr. Brian Nicks: First, can I address the point? The global markets for paper and wood products are increasing at 2% to 3% per year globally, but in North America paper demand is declining at 3% for uncoated freesheet, which we're in, and 5% to 10% per year for newsprint. So the growth opportunities are all overseas and, because of transportation costs, it's very difficult to compete. So I can clarify that point.

Mr. Jean-Marc Lalonde: Okay. My second question would be, knowing that in the province of Quebec there have been more lost jobs in the paper industry than we had in Ontario up to now, how would you compare our forestry program with the province of Quebec's program?

Mr. Brian Nicks: In terms of the government's support mechanisms and so forth?

Mr. Jean-Marc Lalonde: That's right, yes.

Mr. Brian Nicks: They have been earlier, they have been more targeted, and they have been more effective in assisting our cause. We operate in both provinces. I'm not as familiar with Quebec, but I certainly know that their programs came later and that's why they've been the subject of challenges by the US with respect to the softwood lumber agreement and, in my view, they have not been as effective. Their stumpage costs are somewhat higher. So I say the Ontario government has done a much better job, a focused, consultative job. I have to give credit to previous Minister Ramsay and the competitiveness council—great recommendations; many of them carried through. Many of them need to be continued.

The Chair (Mr. Pat Hoy): Thank you.

POVERTY REDUCTION WORKING GROUP OF NIPISSING DISTRICT

The Chair (Mr. Pat Hoy): Now I call on the Poverty Reduction Working Group of Nipissing District to come forward, please.

Mr. Tim Hudak: Chair, if I could just briefly, before the next deputation begins: We've heard a number of important presentations from the forest industry sector. I had put in a research request with respect to energy prices and how they affect industries like forestry, mining and other industrial uses. I'm going to add a couple of things on there from the presentation just so we can understand the implications.

I'm going to add to that request some details about the northern pulp and paper electricity transition program, how it works and its scheduled expiry date. Mr. Nicks brought up a program that I think is important too. It's his proposal on the buy-all, sell-all arrangement on internally produced electricity from green energy sources. I think it's important that the committee fully understand what that suggestion entails.

1030

The Chair (Mr. Pat Hoy): Very good.

Now we're with the Poverty Reduction Working Group of Nipissing District. You have 10 minutes for your presentation. There will be five minutes of questioning in this round from the official opposition. I would ask you to identify yourself for our Hansard.

Mr. Jim Sinclair: My name is Jim Sinclair. I'm a retired volunteer in the city of North Bay, here on behalf of the Poverty Reduction Working Group of Nipissing District. I offer our sincere thanks for this opportunity to present to you our recommendations regarding the coming budget and how it can make a difference in our particular area and also across the province.

The Poverty Reduction Working Group, of which I am a part, is a collective of major institutions: school board, health unit, district social service administration board, faith-based organizations, local individuals, and other community agencies. So we cover approximately 40 different institutions and organizations in the city. It was originally convened earlier this year to formulate a presentation to Minister Deb Matthews regarding the poverty reduction strategy. Because of the synergies that we experienced out of that, our members have since re-constituted ourselves as a continuing working group on the poverty reduction issues.

As we come to you today, we're also aware of the many presentations by allied organizations to our own that have been presented to you. We do want to align ourselves with organizations like the 25 in 5 Network, the Hamilton Roundtable for Poverty Reduction, Make Poverty History, and others. We're not going to repeat many of the things that they've already said to you. We're going to concentrate on just two issues, which I'll name in a moment.

Let me begin with this tale. Recently, Ken Dryden was in North Bay and met with a number of us at a roundtable meeting. One of our members, in that meeting, told the story of 22 Manitou Street in North Bay. She explained how, for a young family—she and her partner and two children—this particular housing unit had offered major support at a critical time in their lives. Now she and her husband are self-sufficient, paying taxes,

contributing—actually, in a very remarkable way—to life in our city. Then she wrapped up her comments by explaining how, since they moved out, that very same subsidized housing unit has supported four other families in their transition to greater opportunity, further education for themselves and for their children, and secure employment.

Our recommendations today centre on two major factors where we believe Ontario's next budget can make a significant difference in our area: housing that provides healthy and safe opportunity for personal development; and the character of our labour pool. Each of these factors is critical to the reduction of poverty and to the enlargement of economic opportunity that enables communities and individuals anywhere to be more self-sustaining.

In terms of an overview regarding housing in our area, throughout Nipissing district there's a high need for more acceptable housing, and we have significant gaps and shortages in shelter capacity, transitional housing, social housing, private sector rental housing, entry-level ownership, and seniors' housing. There's a serious backlog, and the evidence indicates that future need for low-income housing is only going to increase.

In terms of details, our shelters are overloaded. We have one women's shelter, with 16 beds, normally accommodating 21 people on a regular basis. We also have significant transitional housing needs, and we can track how those actually are affecting our long-term-care facilities, which in turn reflect serious acute-bed shortages in our local hospital, and that only adds to the backlogs and longer wait times in the ER. All these housing factors on the same continuum have significant impacts right along the line.

We have over 1,600 people on the waiting list for social housing in Nipissing. That's a 16% increase over last year. Many are singles and seniors, and that's similar to other areas across the province.

So one of the first things we're bringing to you is that the 2009 budget will have a critical medium- and longer-range impact if it provides for increased supportive housing in our communities.

In the private sector rental market, our district's urban centre continues to have one of the lowest vacancy rates in Ontario. Research by our local district social service admin board indicates that the private sector rental business is unattractive for developers due to the current tax and regulatory environment. We actually have 16 apartments available for rent right now in a community of 54,000 people, plus 7,000 university and college students.

We believe—this is our other recommendation—that this budget cycle should review and change the present federal and provincial tax regimes as they relate to rental development. Combined with the low vacancy rates, rents are rising, and for people on social assistance in North Bay, these affordability gaps are more pronounced. We've outlined them in the schedules attached to our brief. They're based on income and average rents. The

gaps for our people range from what they're given—still short \$250 to \$450 a month. So we call on you people, in your role as stewards of our resources, to review the shelter allowance with a view to making it more locally specific, because some of the baselines that are used just don't apply.

A quick story: Many years ago, I was working in South Africa and I was invited to address the council on industries—the local chamber of commerce—because of a critical issue that had arisen, and that was that their best resource, their labour pool, was seriously compromised by AIDS.

When it comes to our concerns about the labour pool in our area, they relate to both quantity and quality.

Quantity: We have significant growth issues that are affecting our ability to provide a labour force beyond something that's slow and stagnant in its growth. If we're going to address poverty, we need to enlarge our labour pool in terms of quantity alone. So we want to encourage the government, in the Places to Grow Act, 2005—its growth plan for northern Ontario—to begin moving from strategy and formation into implementation sooner rather than later.

The other item, in terms of quality: Our challenge in Nipissing includes a much lower university completion rate—14.5% compared to 24.5% across the province. The number of people graduating with a high school diploma in our area is obviously much less than in other parts of the province. Continuing to increase access to education and literacy programs for all segments of the core labour force is key for maximizing what we need for a good labour force and a healthy one in the north.

The last point I want to make is that we have a significantly unhealthy workforce in the north and it makes for a less productive workforce. Over the past four years, our health region has recorded increasing rates of high blood pressure, obesity, drinking, smoking and diabetes. We have a lower number of residents reporting a family doctor, and we have serious nutritional concerns in our population that affect our workforce as well. People on social assistance in our area are spending up to 45% of their income on food. So we really hope that the budget will take seriously the need for health promotion in addition to health care in the steps that it takes in the coming year.

The Chair (Mr. Pat Hoy): Thank you. The questioning is from the official opposition. Mr. Hudak.

Mr. Tim Hudak: Thank you for the presentation. I note that you and your colleagues have been here—

Mr. Jim Sinclair: I'm well supported.

Mr. Tim Hudak: Absolutely. They've been paying attention and taking notes, I might add. I've seen various presentations—

Mr. Jim Sinclair: And they're probably going to take very close notes right now.

1040

Mr. Tim Hudak: I wanted to hit on a number of the points, beginning with the important advice you have on the housing situation for low-income individuals in

Nipissing and other parts of the province. We had, earlier during our hearings, a presentation from FRHPO, the Fair Rental Housing Providers of Ontario, who made the suggestion—because in many parts of the province we have high vacancy rates—that a better approach, instead of building a new round of social housing, would be to provide a portable benefit to low-income individuals, and not simply those who are on social assistance, and then breaking down the barrier between moving from social assistance into the work world. What's your viewpoint on that type of program?

Mr. Jim Sinclair: I think that might be regional-specific. In our area, to have that kind of portability would be of little use because we don't have the options to actually use it. Our vacancy rate is 1.9% at the moment. That has fluctuated as low as 1% over the past year and I would say that's very true throughout Nipissing. We've had, in our area, the first social housing since the mid-1990s actually come on stream this year—112 units throughout the district—but we actually need that amount every year and would need that amount every year for 10 years just to meet the backlogs that are presently occurring. So if you think of housing opportunity and portability, we have to increase our stock.

The other issue that's very serious for us—and you'll find it in our brief—is that of the housing stock in our area, roughly 40% is regarded as lower grade and needing significant upgrading, in addition to the development of new housing as well. So it's a mixed thing from our end. It might be very helpful in other places, but we need new housing stock and renewed housing stock as well.

Mr. Tim Hudak: Yes. What do you think of the argument that, if this program were provided as a portable benefit, over time, the private sector would fill the gap and provide more affordable housing units?

Mr. Jim Sinclair: I think that's possible, and bringing the private sector in for more low-income and affordable housing stock is critical, but it is a challenge. We had a housing forum with over a hundred people from many different organizations in our area recently. We had one developer actually attend, and at the moment, with the present tax and regulatory regimes, in terms of both federal and provincial, they just regard it as not appealing for them to get into an area where we're desperate.

Mr. Tim Hudak: You make an important point, too, about increasing the labour force. One of the challenges we have in Ontario going forward is that our replacement rate will be below where our birth rates are. So we'll be having a smaller workforce going forward unless replaced by immigration. One great potential pool is people who are on ODSP who are facing obstacles to get into the workplace but want to fully participate in the workplace. What programs would you advise or have you seen working elsewhere that will help those individuals fully participate?

Mr. Jim Sinclair: I honestly can't answer that. I think it's a critical question. I wouldn't know, specifically, what would make the best use of that particular group in

terms of the kinds of work that we have available in northern Ontario.

Mr. Tim Hudak: Well, if you do have some advice later on—because I think it's important that we help make up that gap between our growing demands in labour force and our declining replacement rate. Another area of potential growth is with the aboriginal Ontario residents, particularly young people, who are dramatically underemployed. Any advice that you have in that respect to get full participation in the workforce?

Mr. Jim Sinclair: We were talking earlier about partnerships, and we have at our table representatives of the Union of Ontario Indians and the Nipissing First Nation. We're very aware in northern Ontario that the aboriginal population is not confined to First Nations communities alone—in Sudbury, I think, something like 10,000 aboriginal people living in the city—and that's true throughout our area. The issues around the Mining Act and how that pertains to aboriginal economic opportunities, the issues around just making sure that we upgrade our educational levels, the funding for aboriginal education on reserves—I know it gets batted back and forth, but in the Nipissing First Nation, it's actually robbing Peter to pay Paul, borrowing from some of the things that it receives money for or creates of its own in terms of a quarry and other ventures that it has in the fishery; it's moving that money into supplementing what it needs for what actually turns out to be a first-class educational system. But it's only because they have made it that, using other funds that they made available to themselves out of their own operations.

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

Mr. Jim Sinclair: Thank you.

The Chair (Mr. Pat Hoy): Our next presenter has not arrived yet, so we will recess.

For the committee, lunch is at 11:30; checkout is noon. The taxi will be here at 12:45 or sooner.

The committee recessed from 1046 to 1057.

SUDBURY EAST COMMUNITY
HEALTH CENTRE

CENTRE DE SANTÉ COMMUNAUTAIRE
DE SUDBURY-EST

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will come to order once again. Our next presenter is the Sudbury East Community Health Centre, if you would come forward, please. For anyone at all there, they will turn the mics on behind us over here. You have 10 minutes for your presentation. The questions will be asked by the NDP in this round, and could be up to five minutes. I just ask you to identify yourself for the purposes of our recording Hansard.

Ms. Jacqueline Gauthier: Sure. My name is Jacqueline Gauthier. I'm the executive director of the

Sudbury East Community Health Centre—Centre de santé communautaire de Sudbury-Est.

Mesdames et messieurs, bonjour. I would like to thank Minister Duncan and the members of the Standing Committee on Finance and Economic Affairs for this opportunity to provide input on the upcoming budget—and I'm going to need a Kleenex.

I represent the Sudbury East Community Health Centre. Where is Sudbury East, you might ask? Simply put, it is the territory east of Sudbury, situated between Highways 17 and 69. The region is comprised of three small municipalities: Markstay-Warren, St. Charles and the French River, including Alban, Monetville and Noëlville. The territory covers a total of 1,562 square kilometres. In this vast territory, you will find approximately 8,000 inhabitants. The number doubles in the summer, as it is a cottage area. The region is beautiful, and I invite you to come and visit it some time.

Allow me to provide you with some information about this population. Some 60% of the population are 40 or over. It is indeed an aging population and the youth tend to leave to find work. Many retirees come back to the region, however. The average income is around \$40,000, which is below the provincial average; 50% of the population are francophone. Many low-revenue individuals are "sent" to Sudbury East because the cost of living is lower than in Sudbury. The population has a lower level of education than the provincial average. There is a high level of chronic diseases like cardiac problems, hypertension, diabetes and cancer, notably. Many are overweight, smoke, and abuse narcotics and alcohol. Many people have not seen a doctor in many years, if ever.

Essentially, we estimate that 60% of the population of this region have no access whatsoever to health care services. "Why?" you might ask. There are no doctors in the region. The last one closed his practice to retire this past September. The population is relatively isolated. The nearest cities and hospitals are anywhere between 60 kilometres and 100 kilometres away.

A few years ago, the community got together and worked diligently to obtain a community health centre. It took them a good 12 years to finally get approval for the centre and another two to get the funding. The Sudbury East Community Health Centre is now established with two points of service, one in St. Charles and one in Noëlville. We offer primary care services to approximately 2,500 patients. We also offer a number of community-based activities to act on the determinants of health. We probably reach another 1,000 people through these activities. We offer these services in both official languages.

The community is very excited and happy to have a CHC, and they want the services we offer, especially the 5,500 who are not our patients. Some of them are getting rather impatient. A few weeks ago, we actually had to escort an abusive potential client out of the premises because he was getting very, very angry. He was a biker, so we did it very delicately. As you can imagine, this is

putting incredible strain on my staff, who have to explain to very sick people why they cannot become clients.

The truth is, the CHC does not have the human resources to take care of another 5,000 patients. Why not? First, we have the money to hire two doctors, but we cannot find two doctors to join our team. I've attended recruitment fairs, and I know competition is fierce. Now, try adding rural, bilingual and salaried to the mix and tell me if I have a chance to recruit a doctor.

This challenge applies to all my staff, actually: Nurse practitioners, nurses, dietitians, social workers, health promotion officers and administrative staff are few and far between in the region of Sudbury East. Hence, one of my first requests is that you make sure that CHCs receive adequate funding to recruit and to retain health professionals. It is essential that the government provide a stabilization-fund increase to CHCs equivalent to the other community-based, LHIN-funded health service providers. It is also essential that the government increase current funding levels for salaries and benefits, including pensions for CHCs, as a strategy to create greater equity between hospital and community-based providers and to enable the LHINs to meet their integration goals to create a more level playing field in the competition for health care workers.

At the present time, the Sudbury East Community Health Centre functions with the assistance of a couple of part-time doctors who travel from Sudbury once or twice a month to assist the nurse practitioners with complex cases. CHCs are based on a holistic, interdisciplinary community-based model of care. You want integration? We are the poster child of integration.

At the heart of our team there are four nurse practitioners. If I could hire four more, I could probably start making a dent into our waiting list. If these NPs' scope actually reflected the training and education they have received, they could function more independently. Therefore, I would ask the government of Ontario to fully recognize the role of nurse practitioners in the health care system and to increase their scope so that they may play a greater role, thus addressing the physician shortage issue.

Finding bilingual health practitioners is another one of our great challenges. Some may argue that most Franco-Ontarians are bilingual, and that is indeed true for the younger generation, maybe, but it is not necessarily the case for many of the elderly, especially women. I would suggest you imagine getting sick while you are in Vietnam. Nobody around you speaks your language, and you are sick, hence vulnerable. This is indeed what some of our francophone patients go through. Many have little education and have very limited skills in their second language. They are vulnerable; they need to be heard, understood and informed in the language that they understand. Therefore, I would suggest that the government increase the opportunities to study in French in health-related fields. Making the Northern Ontario School of Medicine a bilingual entity would be a good

idea, or at least providing them with necessary funding to offer programming in French would be a good start.

You will receive a brief from the Association of Ontario Health Centres. I fully endorse their recommendations pertaining to poverty reduction, equity across primary health care models, and stimulating the economy where it counts.

Finally, I would like to leave you with one last recommendation that is near and dear to my heart: taking care of our aging population. It is beyond my understanding that we did not plan for this segment of our population getting older and needing more services. This is indeed the generation that built everything we have today. They worked hard and managed to do so without the technology we now have. They deserve that we now take care of them and show our appreciation by providing the best services and care possible. Therefore, I encourage the government to act now to ensure that our elderly population does not live in poverty, in sickness and in isolation.

May I suggest that the strategies that the government develops to address these issues take into account the needs of rural and often isolated populations and communities, especially here in northern Ontario. For instance, rural communities have no access to public transportation. I suggest that you try getting from Noëville to Sudbury to see a specialist if you don't drive your own car. When you're 87, you don't drive your own car, and your kids are in Toronto and in Vancouver and they can't get you there because they are working very, very far away. I can tell you that the people of Sudbury East often feel abandoned and ignored.

In conclusion, ladies and gentlemen, 15 months ago I accepted the job as ED of the Sudbury East Community Health Centre. To my surprise, I have had to become an advocate for the people of Sudbury East. On their behalf, I ask that you remember them and all the other rural, isolated and bilingual communities throughout the province when you prepare your recommendations for the next provincial budget.

I thank you for listening attentively and wish you luck in your deliberations.

The Chair (Mr. Pat Hoy): And thank you. The questioning will go to the NDP and Ms. Gélinas.

M^{me} France Gélinas: Merci. Madame Gauthier, je ne me sens pas capable de vous parler en anglais.

M^{me} Jacqueline Gauthier: Ça va.

M^{me} France Gélinas: Donc, on se parlera en français. On a un petit monsieur ici qui avait très hâte de faire de la traduction.

M^{me} Jacqueline Gauthier: On ne m'avait pas informée que le service de traduction serait disponible.

M^{me} France Gélinas: Ça va.

Dans un premier temps, vous avez dit que votre centre de santé communautaire et les centres en général ont besoin de fonds de stabilisation. Vous avez parlé également des avantages sociaux qui n'étaient pas les mêmes pour vos employés, comparés avec d'autres personnes qui travaillent dans le système de santé, mais

dans d'autres parties du système. Est-ce que vous pouvez élaborer un petit peu, puis nous dire quel genre de différence il existe ?

M^{me} Jacqueline Gauthier: C'est surtout sur le plan des pensions. Un certain pourcentage du salaire des employés est placé dans des RÉER, mais c'est un très faible pourcentage, et il n'y a pas, à la source, suffisamment de fonds pour investir dans un fonds de pension en tant que tel—un fonds de pension qui serait probablement plus profitable et qui rapporterait davantage si on y avait une masse critique. Je pense que le problème, c'est essentiellement que chaque centre s'occupe de ses choses individuellement, mais il y aurait des possibilités si le gouvernement assistait l'ensemble des centres de santé à peut-être faire quelque chose qui répondrait aux besoins de tous les centres de santé de la province.

M^{me} France Gélinas: Puis vous avez fait le lien avec vos problèmes de recrutement et de rétention dans le sens qu'une infirmière ou un « physio », ou n'importe qui qui travaille à l'hôpital, a un fonds de pension et donc ne veut pas laisser un emploi avec un fonds de pension pour aller à Sudbury-Est.

M^{me} Jacqueline Gauthier: Oui, la question du recrutement et de la rétention est vraiment très, très importante. C'est très, très difficile pour un centre de santé de faire compétition à ce que peuvent offrir les hôpitaux. Par exemple, un travailleur social dans un hôpital en ce moment, dans le programme de « mental health and addictions », reçoit environ 82 000 \$, plus avantages sociaux. Mon budget me permet de le payer à peu près 57 000 \$, plus 3 % du montant de son salaire en RÉER. Imaginez pour une personne qui travaille dans le domaine—bon, elles vont peut-être commencer chez nous, mais les chances sont qu'éventuellement les hôpitaux vont venir les chercher.

C'est particulièrement inquiétant, je vous dirai, en ce qui a trait aux infirmiers praticiens. On est en train finalement de se rendre compte de la valeur des infirmiers praticiens et là on est en train de les intégrer à toutes les équipes de médecine à travers la province, y compris aux équipes de santé familiale, les médecins, « family health teams », et ils ont définitivement beaucoup plus de pouvoir d'achat pour recruter ces personnes-là. J'ai des infirmiers praticiens qui reçoivent des offres régulièrement pour quitter et s'en aller dans les—

M^{me} France Gélinas: Ce que vous demandez au gouvernement c'est qu'il y ait de l'équité et de la parité.

M^{me} Jacqueline Gauthier: C'est ça.

M^{me} France Gélinas: Un travailleur social devrait recevoir le même salaire, qu'il travaille en hôpital ou qu'il travaille dans la communauté ou en centre de santé communautaire, et la même chose avec les infirmiers et infirmières praticiens ?

M^{me} Jacqueline Gauthier: Exactement. Et c'est aussi très embêtant en particulier en ce qui a trait aux médecins parce que les médecins qui travaillent dans les centres de santé, ce sont des médecins à salaire. Pour le moment, les salaires que nous pouvons offrir aux médecins, même avec les enveloppes supplémentaires pour les régions sous-desservies—même ces enveloppes-là ne rendent pas le salaire suffisamment attirant pour qu'une personne veuille venir s'établir dans un centre de santé. Un médecin fait pas mal plus d'argent dans une « family health team » que dans un centre de santé.

M^{me} France Gélinas: Vous avez parlé de plus de services pour les aînés. Est-ce que vous avez des stratégies spécifiques pour votre région ou pour les aînés en général ?

M^{me} Jacqueline Gauthier: Notre région est en train de discuter de la possibilité de mettre sur place une maison de soins de longue durée. Vous allez voir venir une demande éventuellement à cet effet. Et le centre de santé a tenté de se pencher sur l'élaboration d'autres stratégies, y compris peut-être un centre de soins—ce n'est pas vraiment des soins. C'est genre un centre d'accueil pour les aînés durant la journée pour que les personnes puissent aller travailler. Il y aurait des activités, des soins divers et tout ça, et ensuite les personnes reviendraient les chercher. On ne veut pas dire « garderie » mais c'est un petit peu le même concept.

M^{me} France Gélinas: Un centre de jour pour adultes.

M^{me} Jacqueline Gauthier: C'est ça, un centre de jour pour adultes. Mais notre RLISS, notre LHIN, nous a dit récemment que tous les argents de l'enveloppe pour « Vieillir chez soi » étaient partis pour régler la situation de la crise de lits à Sudbury. C'est un petit peu décourageant, quand on est à l'extérieur, de se faire dire que les enveloppes qui devaient être distribuées de façon plus ou moins équitable à travers la province s'en vont directement dans les hôpitaux. Je ne sais pas si vous savez, mais moi je n'ai pas 12 médecins qui peuvent se lever demain matin puis envoyer une lettre dans les médias pour dire qu'ils vont démissionner en vrac si on ne leur donne pas ce qu'on veut. Alors, encore une fois on est un petit peu démuni dans des circonstances comme ça parce qu'on n'a pas les mêmes sortes de ressources que les gros hôpitaux peuvent avoir pour se débattre pour leur part des fonds.

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

Ms. Jacqueline Gauthier: Thank you. I did make copies.

The Chair (Mr. Pat Hoy): Very good. We'll ensure every member of the committee gets one.

We are adjourned.

The committee adjourned at 1113.

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