



ISSN 1180-4386

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Tuesday 16 December 2008

**Journal
des débats
(Hansard)**

Mardi 16 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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Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Tuesday 16 December 2008

Mardi 16 décembre 2008

The committee met at 0903 in the Hilton Windsor, Windsor.

PRE-BUDGET CONSULTATIONS

WORKFORCE DEVELOPMENT BOARD OF WINDSOR-ESSEX

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

Our first presentation will be from the Workforce Development Board of Windsor-Essex, if you would come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning from the official opposition for your presentation. I would just ask you to state your name for the purposes of our recording Hansard.

Ms. Marion Overholt: Thank you, Mr. Chair. My name is Marion Overholt. It was not my intention to make this presentation today, but I am not seeing the president of our board, so I thought I would proceed. If you see a man come in, wondering what I'm doing here, just direct him up.

I am a staff lawyer with Legal Assistance of Windsor, and a member of the Workforce Development Board of Windsor-Essex.

We are pleased to make this presentation to the standing committee today. The Workforce Development Board of Windsor-Essex is an organization that was created as an independent, community-based board in October 2008, as a result of the significant foundation work by the city of Windsor, county of Essex, Windsor-Essex Development Commission and the province of Ontario's Ministry of Training, Colleges and Universities and Ministry of Economic Development and Trade.

The Workforce Development Board of Windsor-Essex members are community leaders with a strategic outlook on our region as a whole, in addition to ties to key sectors in business, labour, health, social welfare, newcomers and education. The board's mandate is to plan, facilitate and advocate for regional workforce development, as defined by the development, retention and recruitment of a wide range of skilled workers to meet the current and future economic and social development needs of Windsor-Essex. The board wants to identify where the jobs of the future will be coming from and ensure that the Windsor-Essex workforce will meet those demands and

act as a catalyst in attracting new industries and businesses to the region. Well aware of the current economic crisis in our community, the board has set up a team to develop short-term strategies to address immediate needs of displaced workers and the underemployed.

On November 13, 2008, we were pleased to read the assurances from the Minister of Finance that local firms and local employment will benefit dramatically from the border, highway and other provincial infrastructure projects. To make sure the community is ready, we have submitted an application to the labour market partnership program of the Ministry of Training, Colleges and Universities for a study to identify exactly what jobs will be created as a result of these developments and what the training needs are for the expansion. We anticipate the results will provide the hard evidence needed to MTCU to direct the much-needed training dollars to ensure that the Windsor-Essex workforce is ready and able to go to work the minute the infrastructure projects are announced.

The board is also taking a lead as the labour market planning committee for an integrated local market planning pilot project sponsored by the Ministry of Training, Colleges and Universities. This pilot project aims to create an evidence-based three- to five-year rolling workforce development plan based on express community needs and will be developed in consultation with a team of program funders, including all three levels of government.

Our board knows that three to five years sounds like a long way off for workers and families in our community who are underemployed, unemployed or facing unemployment. We urge the standing committee to take all necessary steps to bring the resources of the government and the people of Ontario to bear to ensure that the manufacturing sector, and more specifically the auto industry, survives and thrives in Ontario.

Our board will be working with the provincial government every step of the way to ensure that what we can give to Windsor-Essex's workers is a reason to hope for a brighter future. In the written submission that has gone in to the standing committee, there is a list of the members of our board and our resource persons—and our president has now joined us.

Thank you.

The Chair (Mr. Pat Hoy): That concludes your presentation?

Ms. Marion Overholt: Yes.

The Chair (Mr. Pat Hoy): Very good. The questioning will go to the official opposition. Mr. Hudak.

Mr. Tim Hudak: Ms. Overholt and Mr. Paniccia, welcome to the standing committee. Thanks for taking the time to join us here in Windsor.

Sadly, Windsor has, if not the highest, among the highest unemployment rates not only in Ontario but all of Canada. We're all very concerned about the auto sector. You're also hit because the hospitality industry has been very negatively impacted by border issues, a reduction in disposable income, etc.

Let me start with the first topic first. Is there, in your experience, any advice that you have for this committee on the auto sector and then helping those who have lost positions move on to other well-paying positions if possible?

Ms. Marion Overholt: Well, I think we're very pleased with the announcement from the provincial government that there is going to be a plan for auto. In the presentations that were made yesterday to the Minister of Finance, there was a very strong presentation from the parts sector saying that they also need assistance because so many of their payments in the industry are very long delayed, and they will be in a situation where they're funding the manufacture of a part and don't get paid for up to two years.

In terms of employment and training initiatives, you saw a very concerted plan last year by the Ministry of Training, Colleges and Universities to address retraining and employment opportunities. What we are proposing: Through this pilot project that we're doing with the development board, we intend to document exactly what will be the jobs that are created over the gateway project for the 401 going into the United States so we can determine what those jobs are going to be, because we're very concerned with getting our workers retrained and back to work. So I think that in the budget, jobs training really has to be a primary focus.

Mr. Tim Hudak: Is there a particular role that you see the province playing in the retraining, programs that you think are working or should be improved? Who should be the delivery agent for those types of programs?
0910

Ms. Marion Overholt: I think when you look at what's being proposed by Employment Ontario, there's quite a bit of restructuring going on now. What they have found in the past is that since that program was taken over by the federal government, there has been very limited access to it, and I think Employment Ontario is trying to broaden the access.

We've had some experience in our workforce adjustment committee, which I chair for Ford and Local 200, through the Second Career program, and we've been identifying some of the gaps in the program for the ministry so that there's going to be greater pickup by unemployed workers and it's going to be of greater assistance to them.

We really want to see an integration of training opportunities, recognizing that people who are unemployed

need to have income support during that time. We would encourage the provincial government to lobby the federal government to really look at that employment insurance program, because that is supposed to be the safety net for laid-off workers, and its availability, the amount of money that you receive, has been greatly constricted. When someone is unable to access that program or it doesn't look after their needs and they end up on social assistance, and to qualify for social assistance they then end up being stripped of their assets and income, we move that person farther away from employment opportunity and re-engagement. So I think the province of Ontario has to be a very vigorous advocate for unemployed workers with the federal government to really revamp that employment insurance program.

Mr. Tim Hudak: I'm from the Niagara area, and our cross-border traffic has declined precipitously. I think same-day trips, for example, are at about the 1970s level, sadly. I expect the experience is similar here in Windsor. Do you have advice to the committee in terms of how to address some of the border issues and their impact on the hospitality sector?

Mr. Tony Paniccia: I had difficulty finding this room this morning, so excuse me.

We have on our committee a cross-section of leading citizens within our region, including the hospitality sector, and the focus is really on what our committee can control with respect to improving the hospitality sector. We've identified it as one of the key industry segments in Windsor—and is it going to be a significant part of our community planning with respect to workforce development?

Specifically, short term, we've identified two areas in particular, and one is, how do we prepare our current workforce to deal with the influx of jobs that hopefully will happen when the roadway and the new bridges come to fruition? As part of that, with greater access and flexibility of people crossing the border, we also need to ensure that we have people trained to service our hospitality industry. There has been a shortage in various sectors, even with the most recent expansion that we've experienced with Casino Windsor, in attracting top-notch, good people. A lot of the people are coming in from out of town.

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

GRANT CHURCH

The Chair (Mr. Pat Hoy): Now I call on Grant Church to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning coming from the NDP in this rotation. I would just ask you to state your name for the purposes of our recording Hansard.

Mr. Grant Church: My name is Grant Church. I'm the father of four wonderful children. I live in Cayuga, and I work in a factory in Dundas.

Mr. Chairman and members of the committee, Ontario has the second-highest-priced industrial power in the

country—88% higher than Quebec; 2.5 times higher than Manitoba. These spreads have increased from last year, and the McGuinty plan will increase our power bills 46%.

The Electricity Act says that the Ontario Energy Board “shall review each integrated power system plan submitted by the OPA to ensure it complies with any directions issued by the minister and is economically prudent and cost-effective.”

There is no notwithstanding clause. If it fails on one point, it fails.

What does “economically prudent” mean? The Concise Oxford Dictionary defines “prudent” as “careful to avoid undesired consequences”; “economically prudent” means “careful to avoid undesired economic consequences.”

The OPA knew that they couldn’t make the IPSP economically prudent, so they came up with a bogus definition of their own.

I attended the Ontario Energy Board hearings in September. The OPA was asked to define “conservation” and “demand management.” It was left for the following day to give the OPA lawyer time to respond. The following morning, he gave his answer. He quoted the Oxford dictionary—strange how they use it when it suits them.

Also, it was revealed that the OPA didn’t do any economic impact analysis of the IPSP. I could do one in a hurry. If the price of power is double what it is elsewhere, you’re out of business. There is no way that a 46% increase is economically prudent.

In an OPA teleconference, I pressed the executives with these numbers and asked them if the plan was economically prudent. They refused to answer.

In a recent news release, the government said, “Ontario’s long-term energy strategy is getting a fine tuning as a key part of the McGuinty government’s drive to ‘green’ the province and keep it economically competitive and prosperous.” Economically competitive and prosperous? Ontario is in a recession, and the government is running a deficit. We are now officially a have-not province. Some 66,000 jobs were lost in November, the worst loss in 26 years. If you proceed to replace coal with natural gas as you have planned, it will be the ruin of our fragile economy.

Why are you ending the regulated price plan for municipalities, universities, schools and hospitals? How are they supposed to shift consumption or bear the extra costs? Do you enjoy inflicting misery?

Many families and businesses have no way of shifting or cutting their consumption, yet you are forcing everybody to use smart meters, an endeavour that will cost \$1 billion, adding yet another line to our hydro bills. The sick and the elderly who need air conditioning will be forced to pay much more to help you meet your conservation targets.

Your energy plan is a corrupt political agenda.

Consider these quotes from Howard Hampton.

On December 5, 2007, Howard Hampton said, “As paper mills have shut down in northern Ontario, paper

mill after paper mill has transferred production and jobs to Quebec. When Abitibi made the decision to close the paper mill in Kenora and put over 400 people out of work, they announced that production would be moving to a mill in Quebec. When Cascades shut down their paper mill in Thunder Bay and put 400 people out of work, they announced that production would be moving to Quebec and the jobs would be moving to Quebec. When Abitibi closed their Abitibi Mission mill in Thunder Bay, they announced that production and jobs would be moving to Quebec. When Inco made the decision a year and a half ago to shut down the copper refinery in Sudbury, when you asked—you didn’t have to dig very deep before they simply said, ‘Look, it’s cheaper for us to send our copper to a smelter in Montreal and have it processed there than it is to reinvest in the smelter in Sudbury and pay much higher electricity rates.’ That is going to continue to happen. We’re now starting to see it in the auto parts sector. Any auto parts that are involved in casting, stamping or plastics moulding are looking at moving production out of Ontario....”

I work in a stamping plant. A casting plant next door closed down just over a year ago.

0920

The Premier has been asking the federal government for help for the auto industry. Why didn’t he listen to Howard Hampton? This is what he said in Hansard on June 11 of this year: “About four weeks ago, we met with the auto manufacturers of Ontario. One of the points they made to us, something that is within provincial control, is the escalating cost of industrial hydroelectricity for manufacturers in Ontario.” What do you suppose a 46% increase in their power bills is going to do?

Why don’t we go out to every business and every home and tell them the real cost of the government’s energy plan? By authorizing the closing of our coal plants, you have signed the economic death warrant of this province, and that warrant has been executed, as countless factories and plants close and move. Ontario, once a place to stand, a place to grow, has become a place to run from.

What should we do? Keep the coal plants open and clean them up. The object of the government’s energy plan should be to level the power-price playing field. We have up to 500 megawatts of stranded power in northern Ontario, with a further 450 megawatts to come from the Mattagami River: clean, affordable hydroelectric power. You should have been building new transmission lines to access it.

Despite all the hyperbole about conservation and renewables, the real plan is to make electricity with natural gas, with an increase of 7,000 megawatts in gas-fired capacity. We pay four times as much as we used to for natural gas because of gas-fired power plants. Building more will make gas and electricity more expensive. In 1999, the National Petroleum Council in the US said there was lots of natural gas and it would be cheap well into the future. American utilities believed it and built over 200,000 megawatts of gas-fired capacity,

50 times that of Nanticoke. Now we're stuck paying through the nose for natural gas because it's in tight supply.

I brought many of these concerns to the finance committee in January. I finished my presentation by asking you, "Will you take the course of action suggested by people like Stéphane Dion and keep our coal plants open, or will it be another day, another plant closing?" You chose another plant closing, and that's exactly what you got.

As for nuclear, we don't need any more nuclear capacity and we can't afford to build it. The market price of electricity has been negative at least 17 hours this year, including a continuous stretch of eight hours. Demand was so low in July that Bruce Power had to throttle back two of the reactors for a few hours. There's more than enough power, to the point where we are now a major exporter.

The province has a hydro debt of \$31.6 billion, much of it borrowed to build the current nuclear fleet. A new 2,200-megawatt plant would cost \$15.4 billion. If paid over 15 years, it would cost nine cents per kilowatt hour just to pay the mortgage. Why buy something we don't need and can't afford? To do so is a recipe for economic ruin.

I'd be happy to answer any questions.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questions will come from the NDP's Mr. Prue.

Mr. Michael Prue: I have a couple of questions.

You are advocating keeping the coal plants open. I think the major problem with coal has been the release of carbon dioxide. Do you have any information on sequestering that carbon dioxide? I know it can be used. I've been out to Saskatchewan; they pump the carbon dioxide into the depleted oil fields, which forces the oil to the top and we get oil—well, we wouldn't have got it. There must be other uses for it. Do you have any information on how to sequester it so it doesn't harm the environment? Because if you do, that's obviously the way to go.

Mr. Grant Church: First of all, the rest of the world is going to burn coal and oil and natural gas regardless of what we do. If we don't burn it, China will, and they will take the jobs—and they are.

There are many technologies developing. The rest of the world is out to win this global warming battle, and the technologies are many. Countries like Germany are building more coal plants. One of the ways is to boost thermal efficiency. The newest coal plant in Germany has 43% thermal efficiency compared to, let's say, Ontario plants at around 36%. The more efficient you make it, the less of it you burn.

A plant in North Dakota was testing out a new system to dry lignite coal—because lignite coal can have up to 40% water. They dry it out with the surplus heat from the coal plant. So they burn drier coal, therefore less coal. If every plant in the United States that burns lignite coal used this simple, basic system, it would reduce CO₂ emissions in the States by over 60 million tonnes. A lot

of it is block-and-tackle type of technology—a little bit here, a little bit there.

Other types—algae, strangely enough. It has been known for some years that algae can be used as a biological way of absorbing CO₂ and now they've found they can turn algae into ethanol, diesel fuel and cattle feed. It is being tested in a plant—I believe it's in either New Mexico or Arizona. At the lab level, they knew how well it worked. They went to a greenhouse that was as long as a football field; it worked even better.

It is not a technological problem, and there are commercially available systems to remove CO₂ from a flue stream. It's just the question of what you do with it after you've removed it. Of course, in Saskatchewan, as you said, they are pumping it in the ground and it has the co-benefit of getting more oil out of the ground.

Mr. Michael Prue: You also talked, and have a chart on the back, about nuclear. Some people call it nuclear madness in terms of, if anything, just the price. You have a cost and production—where did you get this from?

Mr. Grant Church: The Toronto Star, and that is a major source of information that I find. An excellent writer there, Tyler Hamilton, had an article with a quote from Moody's Investors Service, saying that it would cost about \$7,000 per installed kilowatt. So I looked at financing it over 15 years, and 20 years as well, at a 6% finance rate, 90% capacity factor from nuclear, and then made the calculation that it would cost nine cents per kilowatt hour for the mortgage and that a plant of that size would cost \$15.4 billion.

The experience on nuclear is it always costs more than what they say. AREVA, one of the companies bidding on the Ontario nuclear plant, is building a new plant in Finland. I believe it's two years behind schedule and \$2 billion over budget. I'm not personally against nuclear, but there is the issue that we don't need it and we can't afford it.

Mr. Michael Prue: I share that. I hear people talk about what you do with the waste, and I realize all that's important, but the primary impediment for me is the cost overruns, the stranded debt that we're paying for today.

I want to go back to coal again—or perhaps not to coal. They are experimenting in northern Ontario at the Atikokan coal facility, using biomass—waste wood products—which might be more environmentally friendly because it's simply returning the carbon dioxide that the tree took in in the first place and returning it to the atmosphere. It should be carbon neutral. It has some promising results. Do you think we should be going to biomass both in terms of wood products, and in southern Ontario from leftover, non-edible agricultural products?

Mr. Grant Church: Yes, it's promising. To get the volume of biomass to replace coal, let's say, and natural gas, I just don't think it's there. But it can be used and it can help; like I said, a little bit here, a little bit there.

An issue that people maybe don't understand: If you burn biomass, you get pollution. You have to put emission controls on to burn biomass. You'll get mercury. When forests go up in a big fire, you get the release of

mercury. It is at a lesser rate than coal, but it's still mercury. You get nitrous oxide. I used to have a wood stove. I know what the pollution is like; it's awful. It's something that has to be addressed. And again, it's still the bottom line: What does it cost? We're in a situation where we're 88% higher than Quebec. I tell you, it's a lot higher than a lot of American jurisdictions.

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

Mr. Grant Church: Thank you so much.

0930

GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE

The Chair (Mr. Pat Hoy): Now I call on the Greater Kitchener Waterloo Chamber of Commerce to come forward, please. Good morning. You have 10 minutes for your presentation. The questioning will come from the government for up to five minutes. I'd just ask you to identify yourself for our Hansard.

Mr. Art Sinclair: Good morning, Mr. Chair and members of the committee. My name is Art Sinclair and I'm vice-president of the Greater Kitchener Waterloo Chamber of Commerce, in Kitchener, Ontario.

First of all, on behalf of the 1,900 members of the Greater Kitchener Waterloo Chamber of Commerce, we'd like to thank the committee for the invitation today to Essex county to speak on some provincial issues that are of significant importance to our membership.

I notice, in fact, there is significantly less snow here in Essex county than there was in Waterloo region when I left. Of course, we are still trying to determine in Waterloo region who is responsible for the weather, and whether that's a provincial or a federal responsibility. So, hopefully, we can get some clarification on that.

Moving forward, there have been a number of good-news initiatives that I'd like to discuss at the beginning of the presentation. First of all, when I appeared before this committee a year ago in Guelph, Ontario, one of our key recommendations was a provincial investment in the expansion of Conestoga College. Subsequent to that presentation, on August 19 of this year, Premier McGuinty did arrive at Conestoga College, and I know Mr. Arnott was there and Ms. Pendergast was there as well. Premier McGuinty did present a cheque for \$21 million to Conestoga for the expansion of the college. This was a very significant announcement for the employers across Waterloo region. As employers, we have put a very strong emphasis on skills development and workforce training as a critical priority in the public policy arena.

There have been a number of reports—probably many of you have seen them—from the Conference Board of Canada and some other organizations, economic forecasters that have predicted some major skills and workforce shortages across Canada and across Ontario over the next two decades. As a business organization, our position is in fact to meet those future workforce demands.

It is critical that we have the educational capacity and training facilities in Kitchener–Waterloo and across Waterloo region to prepare the workers for the new economy of the future, whether it be in the construction trades, whether it be in health care, whether it be in manufacturing. Obviously, the skill sets for those professions are going to be pretty significant and substantial over the next number of years. We feel that if students, whether they be in high school or whether they be mature students looking to return to the workplace, can look at our community and see exceptional educational institutions plus high-quality employers where they can make the transition into the workforce and use their skills productively—I think that would be attractive to a number of students. That is certainly, I think, an enviable position to be in, and we are quite grateful for the support that Conestoga College received from the provincial government this past year.

Secondly, another related initiative to the expansion of Conestoga College which the employers across Waterloo region are very supportive of is the Second Career strategy. We have had some significant layoffs and downsizing in manufacturing and some other sectors, as all communities have over the last number of years. We see Second Career as being a critical component in allowing a lot of those workers to make the transition into new careers.

Again, some laid-off manufacturing workers will be making a transition into other occupations if they choose. However, what we have also heard in the Greater Kitchener Waterloo Chamber of Commerce from a number of our manufacturing members is that they see an opportunity here for allowing a number of their workers in manufacturing to make a transition into high-skilled manufacturing positions. Say, for example, someone has been working in a lower-skilled profession, such as a grinder or a polisher, for five or six years. If they're laid off and they qualify for the Second Career strategy, they may be eligible to take a course at Conestoga College in something like tool-and-die or another advanced manufacturing program. Certainly, that's a win-win situation. The manufacturer, or the employer, receives employees who have some type of a background in manufacturing, and the employee who wants to continue in the manufacturing sector has that opportunity to secure the training for the jobs of the future. We think that's also a very good initiative and something that we highly support.

Again, those are the two critical components or the two critical achievements, I think, that we're quite grateful for in Waterloo region, as employers and as businesses, that the province has provided over the last year.

Moving on to initiatives of this year, last week, on December 11, our chamber issued a media release to the local media in Waterloo region. In that media release, we supported government assistance to the auto industry. Our position was essentially based on a previous release that was issued by the Ontario Mayors for Automotive Investment, which some of you may be familiar with. That's a collection of mayors across southern Ontario in

communities that are dependent on the automotive and manufacturing sectors, as we are, very much so, in Waterloo region. In fact, in Waterloo region right now, we have 25% of the labour force employed in the manufacturing sector, and that is now the highest percentage of any community across Canada. There are approximately 60,000 workers in manufacturing, and within those 60,000 manufacturing workers, approximately one quarter, or 15,000, are in the automotive sector. As I believe the Ontario Mayors for Automotive Investment have noted, every one automotive job has seven dependent jobs, so again, any further closures, downsizing or layoffs are going to have a significant effect on our community and on all of Ontario. As the mayors have noted, the impacts on the municipal tax base are going to be pretty significant. If you take out those manufacturers who pay taxes and support services in the communities, plus the cost of laid-off workers going on assistance and other related costs, they are significant.

From our position as a chamber of commerce, we said that at this point in time, government inaction is not an option, so we very much support some type of program, whether it be repayable loans, lines of credit or associated mechanisms, to support the auto industry. Again, we are very much supportive. There was an announcement made on Friday, and I guess there are probably going to be a lot of details to be worked out in the future, but we are very much supportive of the direction that it appears the federal and provincial governments are taking on this very critical issue for businesses across Waterloo region.

One other issue that I'd just like to touch on briefly is health care. Our chamber of commerce has been extensively involved in physician recruitment in our community now for a number of years. My colleague Mary Sue Fitzpatrick is essentially a physician recruiter for Kitchener-Waterloo.

There is a chronic issue that we've been dealing with within our community, and that is the provincial underserved area program. We are in the unusual situation in Kitchener-Waterloo where we had the designation, lost it, got it back and lost it within about a five-year period. Essentially, the issue appears to be that we have a significant student population in Kitchener-Waterloo which is not recognized by the Ministry of Health and Long-Term Care when they are doing their physician-to-population calculations. Therefore, if you exclude the students from the calculations, we're at about the proper ratio, which would not qualify us as underserved. However, we've always taken the position that students require medical care; therefore, we have a doctor shortage in Kitchener-Waterloo.

We would like to call on the government to review the underserved area program to provide some level of fairness in the way that the calculations are made, because right now we're at a significant disadvantage against communities that have an underserved area designation. They can offer provincial incentives to recruit doctors; we cannot.

Related to the underserved area program and physician recruitment is also the issue of hospital funding. We have a situation now where two hospitals in the community, St. Mary's in Kitchener and Cambridge Memorial in Cambridge, have recently announced staff cutbacks and the closure of some facilities in order to deflate anticipated budgets. The Waterloo Wellington Local Health Integration Network, which we fall under the geographic authority of, receives one of the lowest per-resident hospital funding levels in southern Ontario. Of about 11, I think we're about the fourth lowest. We receive approximately \$727 per resident, while the provincial average is about \$1,000 per resident. Again, we would like to see some type of population needs-based formula in determining allocations for hospitals across Ontario to provide some form of equity to high-growth areas. I know there are probably a number of you who represent some of those high-growth areas, and I think you're probably aware of this situation quite explicitly. We would like to add our voice to that particular debate. There have been a number of stakeholders, I believe, who have brought this forward for consideration.

I think the minister is aware of the issue quite clearly. In fact, Minister Caplan was quoted in a recent Waterloo region Record article in response to a question from Anne Kelly, who is the health care reporter for the Record, and Minister Caplan noted that, yes, there is a significant concern and that in fact the ministry is in the process of addressing that. So I certainly extend our support on that particular portfolio.

0940

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

Mr. Art Sinclair: I am done. Thank you very much, Chair.

The Chair (Mr. Pat Hoy): I didn't mean to cut you off. You have a minute left, just to let you know.

The questioning will come from the government side, Ms. Pendergast.

Ms. Leeanna Pendergast: Thank you, Mr. Sinclair, for your presentation—or, as my colleague Mr. Hudak would say, your pre-sentation. You pronounce it presentation.

Mr. Tim Hudak: I do?

Ms. Leeanna Pendergast: You do.

I also wanted, in Hansard, to thank Art Sinclair for his tireless efforts on behalf of the Greater Kitchener Waterloo Chamber of Commerce and everything that his efforts do to translate into benefits for our community in Kitchener-Waterloo.

I did want to talk about the conundrum which continues between reducing taxes or investing in infrastructure. I think your comments on Conestoga College—and since that's in my riding of Kitchener-Conestoga, I thank you for that, and for your comments about the press release by the chamber last Thursday that you are very much supportive of the \$21-million investment on behalf of the Ontario government.

There were two areas that I was hoping you could comment on specifically. One is the comment on the

other recommendations or perspective on the high-growth areas. In your conclusion you do mention that Waterloo region makes a strong contribution to Ontario's economy, and growth in its economic performance over the past decade has led the nation and it's now one of the most pre-eminent technology centres in Canada. Do you have any other comments on the importance of supporting high-growth areas such as Waterloo region? Secondly, any comments on the red tape paper burden for businesses? We've heard over the past several days comments on red tape paper burdens and some suggestions on the best way to possibly ease that burden. Some things we've heard are harmonization of ministries or a one-window-of-government type of approach. Do you have any thoughts or comments on that?

Mr. Art Sinclair: Sure. Thank you very much for the questions. With respect to your question about high-growth areas, right now the critical one is in hospitals; however, there have been a number of organizations. One is the Stronger Communities Coalition and then there's another coalition of hospitals. What they've looked at is not just hospitals but social services as well. In fact, there appears to be this gap between high-growth areas and the provincial average as a whole.

Right now our critical concern is with respect to hospital funding, because again, as I mentioned, we've been quite involved in the physician recruitment portfolio now for a number of years. That is based upon primarily the feedback that we receive from our members. Our members tell us that when employees come to interview with companies in Waterloo region, even before the inevitable questions about salaries and benefits, they want to know about health care facilities. For example, in the high-tech sector a lot of the potential employees who are interviewing with Research In Motion and the larger tech companies in our area have a pretty good idea of what the salaries are if they go to Ottawa, if they go somewhere else in the world. What they want to know is, what are the community supports? Because a lot of them have young families and they're very concerned and interested in the health care infrastructure within the community. So again, our initial concern was physician recruitment; however, within the portfolio of physician recruitment we found that the first thing that doctors who come to the community want to know is, what are the facilities available at the hospital, what type of human resource complements do we have at the hospital, are there a sufficient number of nurses that support their work? And that goes right through to personal support workers. It's a circle; everything is interconnected. So again we'd like to strongly emphasize the importance of the health care portfolio as an economic development indicator.

The second question was—

Ms. Leeanna Pendergast: Red tape.

Mr. Art Sinclair: No major concerns at this point in time. We've identified our critical priorities. Can government make business easier? Yeah. Nothing specific at this point in time that I'm aware of that our members

have brought forward to our attention. One issue that comes up frequently is GST/PST harmonization. However, as a large business organization that cuts across many sectors, we certainly would have a very difficult time formulating a position on this. For example, I think you had a presentation from the Ontario Home Builders' Association. They are very strongly supportive of PST-GST harmonization. We have a number of members—

Interjection.

Mr. Art Sinclair: No, they're against it; sorry. The home builders are against it. There are a number of other sectors that are for it. As a large organization such as ours, it's difficult to get a consensus on that, so really, on those types of issues, we just left them to sector-based organizations, community-based organizations such as ours.

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

Mr. Art Sinclair: Thank you.

LEGAL ASSISTANCE OF WINDSOR

The Chair (Mr. Pat Hoy): Now I would ask Legal Assistance of Windsor to come forward, please. I think you know how this goes: 10 minutes, and five minutes of questioning will come from the official opposition in this rotation. So just state your name and you can begin.

Ms. Marion Overholt: Thank you, Mr. Hoy. My name is Marion Overholt. I'm a staff lawyer with Legal Assistance of Windsor. Our clinic has served low-income residents of Windsor and Essex county for the last 34 years. We've had the privilege of appearing before this standing committee in 2002, 2004 and 2007, and again, we would like to speak of the issue of poverty reduction. We are hopeful that at this point in time the Ontario Legislature will be able to move forward with a comprehensive strategic plan for poverty reduction.

I need to tell you that yesterday the Minister of Finance was in Windsor seeking community consultations on what to do with the budget. Three years ago, when he attended in Windsor, there was only one presentation on poverty. This year, nearly 50% of the participants spoke about the need to alleviate poverty. So if this community's experience is indicative of communities across the province, the time for a united action plan on poverty reduction has arrived.

As you may be aware, Windsor and Essex county has the highest unemployment rate in the province and one of the highest unemployment rates in Canada. The region is experiencing an economic downturn, especially in the automotive industry, which has resulted in an adverse effect on employees in feeder plants, seasonal operations, small businesses and those already receiving social assistance. Recent layoffs in the automotive industry, which provides employment for 30% of the workforce in Windsor and Essex county, will produce further economic instability.

Over 18,000 jobs have been lost in the last five years. The impact of these plant closures and layoffs is reflected

in an increase of 25% in the personal bankruptcies from January to May 2007. The unemployment rate for the first quarter of 2008 was the highest in the province at 9.7%, and it has again increased.

In Windsor and Essex county, 16.1% of children under the age of 18 live in poverty, which is approximately 16,000 children. Poverty increases a child's risk of lower-functioning vision, hearing, speech, mobility, dexterity and cognition.

Although the rental market vacancy rate is estimated at 14%, over 2,300 individuals are waiting for affordable housing. In 2006, over 2,000 people were provided temporary shelter; 215 of those were children. Homelessness increases families' exposure to stress, instability and illness.

In 2004, over 162,000 people needed food bank assistance. Many families required food bank assistance more than once. Food recipients are disclosing fair to poor health at a rate that is approximately 31% higher than the general population.

In Windsor and Essex county, over 32,000 individuals between the ages of 24 and 64 have no high school certificate or equivalent.

The Cost of Poverty report noted that, "Canadians who look at poverty through the eyes of those it afflicts know the poor bear huge costs from having to live with deprivation and the stresses it imposes. Together with the strains they create within families, these direct costs of poverty—hunger and inadequate nutrition, inferior housing, alienation from mainstream society and scant opportunity for a better life—take a heavy toll on the health of the poor, their self-esteem and the ability of their children to learn and thrive in school. These forces, in turn, can create a vicious intergenerational cycle in which poverty feeds on itself."

0950

For your committee today, I would suggest there are three issues that need to be addressed in the budget. First of all is an increase in the rates of social assistance. Whether you do that as a rate increase, a housing supplement, a rent supplement or food supplement, whatever means you choose, the point is to put money in the hands of the poor, who will immediately spend it in our communities. The National Council of Welfare reports that in spite of rate increases, we are still woefully below the low-income cut-offs. The report noted that in both Newfoundland and Labrador, improvements came as a result of a poverty reduction plan. We need that kind of intervention here.

The second area I would bring to your attention is the question of infrastructure spending. I've read some of the presentations that were made to this committee, and there seemed to be a discussion about whether infrastructure would indeed be helpful because of the time lag in getting big projects to fruition. Infrastructure spending can be in a variety of ways. One area that I would bring to your attention to is looking at the need to upgrade the social housing stock. I know in Windsor and Essex county, and I'm sure it's the case across the province,

that because of financial constraints, that stock has fallen into disrepair. We do have units in Windsor and Essex county that cannot be lived in because of the state of repair. Addressing that need to upgrade that housing would provide jobs and increase the amount of affordable housing.

We're encouraged to see in the announcement from the federal government that they are considering a possible infusion of funds into social housing infrastructure, and we see that as an opportunity for the province to combine actions to help address the lack of affordable housing. In our market, although we do have over 14% vacancy, the combination of heating costs and rents still make those units in the private market outside the price range of people on welfare assistance.

The last area that I would direct your attention to is the issue of jobs, training and education. As I mentioned before, we stripped the unemployed of their assets and marginal income in order to qualify for welfare, then we punish them when they fail to transition successfully back to employment. It makes a lot more sense to keep people in school, upgrading skills, than collecting useless data on fruitless job searches.

It's time to stop recycling our welfare recipients through inflexible, inappropriate job search requirements and subjecting them to three and six months of suspension of benefits, which only produces evictions, loss of homes and furnishings; then they require emergency shelter use and, lastly, they are restored to benefits. The loss of confidence, the increase in anxiety and sometimes a lapse into addiction which accompanies this manufactured crisis toss these individuals even farther from the mainstream of community.

The Canadian Chamber of Commerce estimated that in 2010, only 6% of the jobs will require less than a high school certificate. So unless we address those educational needs of adult learners, we are not going to effectively re-employ our labour force. As stated in the National Council of Welfare report, we as a society have to seriously examine the costs of providing too little, so that the possibility of being hired or being productive in any large sense moves rapidly out of reach.

This budget will be a pivotal time in our social cohesiveness. This community knows better than most that most of us are a paycheck away from social assistance. As a province, we urge you to speak with one voice to call on the federal government to revamp our employment insurance, to increase eligibility rates, the income rates and terms of benefits for that program.

Our municipalities in the city of Windsor and county of Essex don't agree about many things; however, both the county and city council have endorsed the Pathway to Potential report, which is a comprehensive, community-based strategy to reduce poverty in Windsor and Essex county. The poverty plan proposed by Windsor and Essex county recognizes that all levels of government have a responsibility to contribute in the reduction of the poverty, and thus increase the quality of life. There is strong public support for government action on poverty

reduction. A recent poll from September and October shows that 81% of Ontarians support strong government action to assist and support low-income people, particularly during a recession.

When I started at Legal Assistance of Windsor in 1988, Ontario was a role model for other provinces in social development and support for low-income citizens. We are a teaching clinic and we have law students and social work students who participate in our programs. Over the years we've had to extend our orientation program to help the students adjust to the abject need they encounter from our clients. We have to teach them that when we have done our very best advocacy with welfare, the income that a person will receive is woefully inadequate and will not meet their basic needs.

It is time to take concerted action to improve the economic well-being of our citizens and our communities, and there has never a better time to enact poverty reduction legislation. Thank you.

The Chair (Mr. Pat Hoy): And thank you for the submission. The questioning will go to the official opposition. Mr. Hudak.

Mr. Tim Hudak: Thank you, Chair, and thank you very much, Ms. Overholt, for your second presentation today. I always enjoy it when you present to the committee, and it's good that you were present for the 9 o'clock session.

You covered a lot of issues—a very comprehensive presentation—and we thank you for it. The issue with respect to housing: You mentioned that Windsor's vacancy rate is 11%.

Ms. Marion Overholt: It's 14%.

Mr. Tim Hudak: Sorry, 14%; even higher. But despite that, you suggest that there should be investments in social housing because the costs are out of reach for many people. Is there a better solution in terms of helping low-income individuals afford rents in the private sector rather than putting new resources into more housing when you have that kind of vacancy rate?

Ms. Marion Overholt: Right. I think what you need to do as a province is have some flexibility in your housing proposals, because some communities have a real shortage of rental housing. I think what you can do is, for places like Windsor, offer rent supplement programs so that you have a reduction in the rent, which becomes affordable. You need to also recognize that if we're not addressing those utility costs, they're going to eat up a large part of that social assistance budget. So, in terms of housing, you need to look at a multitude of remedies because each community is different.

The biggest difficulty with rent supplements is that they tend to be impermanent, and we had that experience back in 1990 with the federal government. They had a rent supplement program and then it got cancelled. Then the rents just were no longer subsidized and people couldn't afford the rental accommodation they were in.

When you hear advocates talk about affordable housing, there is a heavy emphasis on building social housing because it's permanent and it's always going to be available. Certainly within our community, because of the

large vacancy rate, a supplement would make more units immediately available while you're addressing the long-term social housing needs.

Mr. Tim Hudak: There is always a concern, I know, in my community, and I suspect in Windsor as well, that if families are in social housing areas, the children could be stigmatized because they come from certain areas. A better solution may be to allow parents to shop around for housing, provided they can afford it.

The Federation of Rental housing Providers of Ontario, FRPO, made a presentation to this committee just last week that talked about a portable supplement. It wouldn't necessarily be based on social assistance; it would be based on their income level. I'm not sure if you're familiar with that. I guess they have it in Quebec and other jurisdictions. Do you have any point of view on that suggestion?

Ms. Marion Overholt: Yes. Sometimes, when we talk about poverty in Ontario, we think of people being on social assistance, and there is an absolute need to recognize that we have the working poor as well who need that kind of assistance, whether it's a supplement or even what's happened with the federal government in terms of the working tax benefit to allow more income to become available so that they're able to provide for their families.

I was looking at the report from the provincial-municipal review. I know housing has been kind of left out of the discussion. I'm very hopeful that within the next year we'll see a comprehensive consultation strategy come out from the provincial government that will look at this area, because it has really been an area that has been downloaded to the municipalities and quite neglected by the federal government, and our communities have paid the price.

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

Mr. Ted Arnott: I'm going to thank you for your presentation, and we do appreciate your advice and your suggestions today. We're glad to be here in Windsor, although our caucus believes that these hearings could have commenced on January 5, which would have had us here on January 6, and perhaps we'd have a few more presentations from people who live in Windsor instead of adjourning today at about 11:15, unfortunately.

1000

You did make some excellent points that I want to reference, particularly the idea you talked about with respect to infrastructure. Like you, I believe that in this time of economic challenge, government needs to prioritize and expedite significant infrastructure investments that will make us more competitive over the long term. Here in Windsor, I think of the bridge, the tunnel idea that we heard about this morning. What are the main obstacles, as far as you know, to moving those projects forward more quickly, and how would moving them forward more quickly benefit the people you're advocating for today?

Ms. Marion Overholt: As I said earlier when I was here with the Workforce Development Board, we know that jobs are going to be produced by that project. There

have been suggestions that it will produce between 12,000 and 25,000 jobs. There was a presentation yesterday from the construction industry saying that we need to quantify what those jobs are, whether we have the people in Ontario with the skills, and what opportunities we have for upgrading the skills of people who are unemployed. So when I look at the work of our workforce development commission, I think that is going to be a major project for us. It's an opportunity. A lot of the skills of the workers who were laid off in the automotive industry are transferable. If we put them in an upgrading program, they're going to be able to qualify for those positions. We did a block purchase of heavy construction equipment for a number of our workers, so they're now able to operate that equipment, and many of them have found jobs.

I think, when we look at that massive project going forward, there have been discussions both within the city of Windsor and the county about which proposal is going to best meet the needs of Windsor and Essex county. It's very much a hot topic in Windsor and Essex county. For my clients who are currently on social assistance, they can go around and around to the same places looking for jobs that aren't available. They really need that training so that they can access the jobs that are coming with that project.

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

DIETITIANS OF CANADA

The Chair (Mr. Pat Hoy): Now I would call on the Dietitians of Canada to come forward, please. Good morning. You have 10 minutes for your presentation. The NDP has up to five minutes of time to question. I would just ask you to state your name for the purposes of our recording Hansard.

Ms. Leslie Whittington-Carter: My name is Leslie Whittington-Carter. I'm the Ontario government relations coordinator for Dietitians of Canada. We're the professional association that represents registered dietitians across the country. We have about 2,500 members here in Ontario. We will be submitting a comprehensive written report, but as you see, I just did up a one-page highlights document for the purposes of today's presentation.

I'd like to start off by saying that we recognize the difficulty that you have in establishing budget priorities. We have a lot of competing, very important priorities for limited financial resources. I'd just like to emphasize, as I believe some of the other presentations have, that investments in health and health promotion do pay off in the long run, so you need to keep that longer-term vision as well.

I think it has been widely recognized by politicians and citizens that nutrition is a key determinant of health. Our position, of course—and I hope you would agree—is that access to professional nutrition advice through the food nutrition experts, registered dietitians, is key to improving the health of Ontarians.

One of the government initiatives that has been very successful was the launching of EatRight Ontario, which is the Web- and phone-based dietitian advisory service that lets people speak directly with a registered dietitian and have their questions answered, or communicate by e-mail and get a quick turnaround time. In order to continue its initial success—it has very high customer satisfaction ratings—we really recommend that you urge the continued funding, through the Ministry of Health Promotion, for operation of EatRight Ontario as well as some targeted promotional strategies so that it can reach some of the most vulnerable populations and increase that impact on health.

Another very successful initiative, through the Ministry of Health and Long-Term Care, has been family health teams. Most of the health teams have at least one registered dietitian on board to provide individual patient nutrition counselling, as well as provide support and education to the other health care providers so that everybody can be given the same nutrition messages and reinforcing those ideas.

However, my latest figures show that only about 65% of the approved positions for family health team dietitians are currently filled. Part of that has to do with the overall shortage of dietitians, which I will be speaking to in a moment, but the other factor that is at play here is inequitable compensation. The guidelines for the various salary levels for health professionals that are published by the Ministry of Health for family health teams have placed dietitians at a lower salary band than other professionals that have the same type of education and training. That has been a problem for recruitment and retention, so our second recommendation around access is that that inequity be resolved.

The third recommendation around access is for a very vulnerable population: the residents of long-term-care homes. Right now we have a mandated minimum of 15 minutes per resident per month for dietitian services in long-term-care homes. To put that in perspective, in a 120-bed home, that means you have a dietitian there one day per week. It's not adequate. The stakeholders in long-term care have recognized that, and many homes have topped up that staffing. So right now we've got a provincial average, according to our surveys, of about 23 minutes per resident per month. However, we really feel that the minimum needs to be at least 30 minutes per resident per month in order to really manage nutritional care properly for that vulnerable population.

Finally, the home care population: The aging-at-home strategy has recognized that home care is a priority population. However, what we're seeing is that community care access centres across the province have been severely limiting all therapy services, including nutrition. We really urge that there be targeted funding for nutrition services in home care in order to reverse that trend and provide some proper nutrition care for that population.

Those recommendations are intended to increase access to professional nutrition services across the province.

However, the other stumbling block that needs to be addressed is that we have a shortage of dietitians. Right now there are vacancies across the province, not only in the rural and remote areas where perhaps you'd expect that, but also in places like Windsor, Sarnia, London and Toronto. I had a clinical services director from one of the large teaching hospitals tell me just recently that they've never had difficulties recruiting dietitians for those teaching hospital jobs, because those are pretty desirable positions and usually they're filled quite quickly. They're seeing vacancies that they can't recruit; there are just not the bodies out there. The shortages are even worse in places like long-term care, public health and those places.

We feel that they are directly linked to a lack of internship or training placements, and that's a one-year clinical placement that is required after graduation from a four-year honours foods and nutrition degree. We have right now, as the little graph shows you, about half of our qualified graduates—they have great potential to be dietitians, to alleviate these shortages, but they can't finish that final component of their training to make them eligible to write their entrance exams for the College of Dietitians because there just aren't the internship programs available. So we've been working with a number of stakeholders. We're looking at some new models, trying to come up with some creative ways of looking at funding and coordination. We're going to be submitting proposals through HealthForceOntario, and we really are urging you to voice your support for those proposals in order that we can address this shortage. It is getting to a very critical point and it's only going to get worse, because dietitians, like everyone else, are aging, and we've got people retiring, and there are vacancies that aren't able to be filled.

My final point is to acknowledge the poverty reduction strategy that has been announced recently, and to commend the inclusion of student nutrition programs within that poverty reduction strategy. I did want to emphasize as well that individual household and community food insecurity is bound to become more of an issue in challenging economic times, and we would really welcome the opportunity to work with the government to address food insecurity and help to ensure access to appropriate healthy, nutritious foods across the province.

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As I mentioned at the beginning, we will be submitting a comprehensive report, but I'd be very happy to answer any questions at this point in time on any of these recommendations. Thank you.

The Chair (Mr. Pat Hoy): Thank you for the submission. The questioning goes to the NDP and Mr. Prue.

Mr. Michael Prue: I'd like to start with the long-term-care homes and the 15 minutes per resident per month. This is really quite appalling, I think. It's really quite appalling if that is all the care that is being given to people who are very vulnerable and oftentimes can't speak for themselves. I've been in those homes; many of the people have dementia or Alzheimer's. Somebody

needs to be caring, and if you're only there for 15 minutes a month, how do you do that?

Ms. Leslie Whittington-Carter: Well, you can't—

Mr. Michael Prue: You don't.

Ms. Leslie Whittington-Carter: You can't. You can't do it properly within that amount of time. We've recommended 30 minutes for 10 years, an increase to 30 minutes per resident per month. I do emphasize that is a minimum. Even that—we recognize that obviously there are fiscal challenges, but the 15 minutes is woefully inadequate.

Mr. Michael Prue: Do the dietitians work with the nurses and the doctors that are in the homes to try to come up with nutritious meals, probably culturally sensitive and everything else that has to be done?

Ms. Leslie Whittington-Carter: That's right. They are very much part of the interdisciplinary team. They're involved in menu planning, they help to educate other health professionals, other direct care staff, and they make individual care plans for specific nutrition interventions for the residents who are at risk.

Mr. Michael Prue: Skipping down to the graph and the chart, it seems like we are graduating a lot of people who never work in the field for which they're trained. How could we mandate that training? How can we as a finance committee make sure that we use all of those minds?

Ms. Leslie Whittington-Carter: Well, there's a couple of things. As I mentioned, we are submitting some specific proposals. One thing we're looking at is long-term-care based, something specific for training people in long-term care. We're looking at more of a public health-based environment.

Most of the internships, the majority of them, are based in hospitals. Therefore, they compete out of the global budget for funds for a coordinator for the internship program, so basically what we need is funds for coordinators. We have dietitians in various settings who are willing to mentor, willing to take those students and assist them in learning and completing that training, but what we need is the coordination and somebody to head up that program and make sure that everybody fulfills their specific competencies across what's required through the regulatory bodies.

Mr. Michael Prue: Is this an expensive process, or can this be done relatively cheaply?

Ms. Leslie Whittington-Carter: Relatively cheaply; relatively, again, in terms of the investments that are made, for example, in nursing education or addressing physician shortage or some of the other health care professionals. It's certainly a fraction of what some of the other investments have been across the board.

Mr. Michael Prue: In terms of food security, you're correct that as poverty takes hold, as people lose their jobs as the economy worsens, nutritious food may suffer. What proposals can the government make? Should we be funding nutritious food baskets? I see that as part of the poverty reduction in Toronto where I come from. They have the Good Food Boxes and things like that.

Ms. Leslie Whittington-Carter: That is certainly an excellent initiative. “Nutritious food basket”—that actual terminology is within the public health standards, so we do have a costing protocol to cost out what it costs to eat healthfully. I think my main recommendation would be that we use that existing protocol, look at what it costs to eat nutritiously and make sure that those funds are available for people to be able to purchase sufficient food.

There are other initiatives such as urban planning and those types of things to ensure that there is physical access to healthy foods. Things like the northern fruit and vegetable program, which has been successful—expanding that so that more people are able to access fresh fruits and vegetables. That also helps the agricultural community. Those types of things are also very helpful.

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

Ms. Leslie Whittington-Carter: Thank you very much.

ONTARIO COALITION
FOR BETTER CHILD CARE
CANADIAN UNION
OF PUBLIC EMPLOYEES

The Chair (Mr. Pat Hoy): Now I’d ask the Ontario Coalition for Better Child Care and CUPE to come forward, please. Good morning. You have 10 minutes for your presentation. The government will be asking the questions in this round. Just simply state your name for our Hansard recording and you can begin.

Ms. Patricia Strople: Thank you. Good morning. My name is Patricia Strople. I’m an early childhood educator in the city of Windsor. I represent the southwest Ontario region for the Ontario Coalition for Better Child Care and for the CUPE child care council. I’ve been advocating for high-quality child care services for a long time, through our terminology changes from daycare to child care, to the current early learning and child care—ELCC—that I’ll be using this morning. Through it all, our emphasis has remained steadily in support of high-quality service affordable to parents, available in all regions and accessible to all families needing care.

Our own provincial government has recognized the concerns and published insightful papers speaking to the needs, such as Early Learning for Every Child Today, Investing in Quality, and the ELA report. It seems that sometimes there’s little point in repeating again that which is already so clearly recognized and known. Nonetheless, I’ll go on and I’ll be brief.

Consistent, high-quality ELCC experience supports children’s healthy development, which is all the more important in these stressful times. How we choose to support our children now will influence their future and that of the health of our province. Building a system of quality ELCC is integral to Ontario’s prosperity and well-being.

Before Quebec introduced its \$7-per-day system, it had the lowest female workforce participation rate in Canada; 10 years later, it has the highest. It is estimated that through tax recovery this increased labour force participation pays for 40% of the child care system in Quebec. It can grow the tax base for Ontario, too. Over these past 10 years, Quebec has seen a reduction in child poverty, which is attributed to their universal and affordable ELCC program. Both our neighbouring provinces, Quebec and Manitoba, are significantly and wisely investing in ELCC.

A UNICEF report issued last week ranked Canada last among 25 rich countries for our failure to act on the evidence showing that quality, universal care services provide social and economic benefits that far outweigh the costs. The laissez-faire approach to child care has failed us.

As Ontario considers ways to stimulate the economy, ELCC should be near the top of our priority list. Quality, universal child care promotes local development and will help families as they patch together part-time or on-call jobs, maintain availability for work or participate in education upgrading or skills retraining.

We strongly urge the McGuinty government to do the right thing for Ontario’s families. Honour it, follow it, fund it. Thank you for this opportunity to speak to you today.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning goes to the government, Mr. Sousa.

Mr. Charles Sousa: Thank you very much for your presentation. I appreciate you being here. You speak of something that’s very—it’s a priority for us. Early years learning and child care are certainly fundamental in the development of our economy in the long term. It’s an investment and it’s something that I believe you’re right about, that we can do better.

During the last year, it’s been a priority for us, with the rolling out of our poverty strategy, which affects children, and the concentrations on early years through Charles Pascal’s initiatives—full-time kindergarten and so forth. We have issues in terms of funding and we want to make certain that we have what’s necessary to support our children. I agree that possibly a universal care system is the appropriate way to go and we were hoping that would have been the case initially when we were working with the federal government a few years back. Can you tell us where you think we can save money at this point? In terms of the way we’re rolling out, it’s a matter of trying to provide effective service with the funding that we now have. Can we change the system a little bit?

1020

Ms. Patricia Strople: I think in the long run we definitely will be saving a lot of money; we’ll save a lot of other costs. In terms of a short-term saving of money, I don’t know how to tell you that you can save money in providing quality child care services. Child care does cost money. If you have well-paid, well-qualified people, then it does cost money.

Mr. Charles Sousa: Is the system efficient the way it's operating now, or are there things that, in your mind, should be changed right away?

Ms. Patricia Strople: I don't think there is much of a system right now. What we have now is a patchwork throughout our province. We don't have a system; we have little bits. What we need is a system of child care.

I'm really glad about the initiative that Pascal is doing. My concern is that it does address the four- and five-year-olds and such great needs are amongst the younger children. We need to address and not just segregate the four- and five-year-olds from the rest of the child care system, because I see much greater problems coming about if they're just lopped off the top. It's currently very hard to get and to afford and to be able to provide quality service for the infants and very young children. If the four- and five-year-olds are removed from the system and it's like a panacea has been provided, then I see a really huge gap coming up for the youngest children, and I'm scared of what will happen.

I do support what Pascal's study is about, and getting that going is a great thing. I just really worry about the younger children in that process.

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

ALZHEIMER SOCIETY OF ONTARIO

The Chair (Mr. Pat Hoy): Now I'd ask the Alzheimer Society of Ontario to come forward, please.

Mr. David Harvey: Good morning. My name is David Harvey. I'm with the Alzheimer Society of Ontario. With me is Sally Bennett Politidis, who is the CEO of our chapter in Windsor-Essex. We appreciate very much the opportunity to talk with you about priorities for the 2009 provincial budget.

Alzheimer's disease and related dementias are progressive, degenerative diseases that destroy brain cells. They are not a normal part of aging. Symptoms include a gradual decline of memory; changes in judgment, mood and behaviour; and an inability to perform familiar tasks. Progression can be slowed, but not stopped. Today, there is no cure.

More than 180,000 Ontarians have dementia. In less than 25 years, this number will double. The annual cost in Ontario is estimated to be over \$5 billion, including the costs of long-term care, community supports, medication, physicians' fees and unpaid caregiver time. These costs will increase dramatically in the coming years.

The Alzheimer Society of Ontario and its 39 chapters provide service and care for people with dementia and their families, and fund research. Our annual revenues are close to \$30 million, over 50% of which is derived from charitable donations and fundraising events. The Ministry of Health and Long-Term Care, through the local health integration networks, provides most of the remaining funding for our chapters. Our society partners with a variety of groups, including health providers, primary care practitioners, universities and colleges, to

improve access, disseminate information and promote best practice.

We acknowledge that Ontario faces severe economic challenges. While you grapple with these complex issues, we urge you to consider our recommendations, which focus on five areas: continuing the aging-at-home strategy; increasing financial support for caregivers; adopting an age-friendly approach to infrastructure investment; supporting dementia research; and promoting a "silver economy" strategy for Ontario.

The aging-at-home strategy will add more than \$330 million a year in areas such as community support services, respite, and supportive housing at its maturity in 2011. Aging-at-home supports innovative approaches, such as the First Link dementia referral program, through which individuals and their care partners are linked with the Alzheimer society chapters. Studies such as the one that we refer to here, conducted over an 18-year period, in a 2006 report, indicate that counselling provided to people who care for people with dementia can reduce the length of stay in long-term-care facilities by as much as 50%. Investment in community supports is an essential part of health cost containment. We urge that commitment to the rollout of the aging-at-home strategy continue.

In 2007, we applauded the commitment in the Ontario government throne speech to support people caring for older adults, and urged action in our submission to this committee a short while later. Last October, the federal government made a similar commitment. The time is ripe for federal-provincial collaboration on issues relating to caregiving.

Most Ontarians with dementia are cared for in their homes, by their families, most of whom are spouses or daughters. In turn, many of them struggle with emotional stress, physical strain, exhaustion, depression and other illnesses, as well as financial burdens. Caregivers experience financial stress in two ways. One is the added cost of caregiving; the other is the insecurity related to those who still remain in the employment market.

The Ontario Caregiver Coalition has asked Minister Duncan to establish a task force. While we support this, we urge immediate steps to increase the tax credits for caregivers, include self-directed funding in the range of care options, and work with the federal government to extend the compassionate care provisions of the Employment Insurance Act and the dropout provisions of the Canada pension plan.

Investing in infrastructure is accepted as an effective tool for governments to mitigate the impact of our current economic crisis. We see great potential in guiding infrastructure investment toward initiatives that support independence within our aging population, such as home modifications, affordable and supportive housing, as well as accessible transportation.

We are working to apply the principles of the age-friendly-communities initiative of the World Health Organization to services, settings and structures that enable people to age more actively. We are engaging muni-

cialities and other associations, like the Ontario Professional Planners Institute, in this work. The federal government is also promoting this initiative. We urge the adoption of this policy framework in future infrastructure investments in Ontario.

Ontario scientists are world leaders in dementia research. While there is no doubt that the need for better treatments and eventually a cure for dementia remain paramount, it is fair to say that trying to find ways to delay the onset of dementia is equally important, as is research in applied technology to help people cope.

The Alzheimer Society of Ontario and chapters donate over \$1 million a year to research. Ontario recognizes that research is an important economic driver in the new economy. Given the scope and impact of dementia, and the strengths of Ontario's research community, we urge that Ontario follow British Columbia's lead in making dementia a signature pursuit within its research portfolio.

We also see tremendous economic potential in recasting our changing demographic from one of a so-called "grey tsunami" to one of a "silver economy," where all groups enjoy the economic benefits associated with the growing number of older persons. New technologies, housing options and transportation services are needed. Just as green may offer opportunity for innovation, so also may silver. The European Union sees this possibility and is supporting a "silver economy" initiative to promote development and marketing of innovative products and services to the market of older people, and thus contribute to economic development and job creation. One specific example of this might be to earmark money for Ontario's Next Generation of Jobs Fund to companies developing technological innovations to support independent living. Another possibility might be to include this kind of orientation in the Second Career strategy, for example.

1030

While we face uncertain economic times, dementia does not wait. The number of people with the disease keeps growing and the impact on individuals, communities and our health system intensifies. Creative and cost-effective responses are available, and the Alzheimer Society urges you to support them. Thank you.

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

Mr. Toby Barrett: Thank you to the Alzheimer Society for coming forward to testify. We are certainly aware of the economic challenges, and as you've indicated, on average, about 50% of your organization's funding comes from fundraising itself and charitable donations.

I was listening to your description of the fact that most people are cared for in the home. I had an opportunity—I think it was just last week—to visit a home to get a feel for the home care environment in my local area. There were several service providers involved in this particular home. They would come in at various times. How is that working out, as far as coordination? I know some of it would be referrals through the local CCAC. I just

wonder, how is that working out across Ontario as far as the home care approach?

Mr. David Harvey: I think we can say that the home care initiative has been pretty successful in Ontario. The average age of admission into a long-term-care home today is about six or seven years older than it was 15 years ago. That's a measure of success.

One of our concerns around home care is that as the care becomes more complex for a person, the respite services that are available for people providing the care are not what they once were. The pressures on community care access centres to alleviate hospital pressures have caused an erosion at the other end of the system. There were some announcements yesterday about improving the capacity of CCACs to manage care, and it may be that with the aging-at-home strategy and some better approaches that way some of that respite will return to the home that eroded a few years ago.

Mr. Toby Barrett: Mr. Hudak may have a question. I'll try and get another quick one in. Could you tell us a bit more about your proposal for income tax credits for caregivers? You would be referring to family members—probably a spouse or children?

Mr. David Harvey: That's correct, yes.

Mr. Toby Barrett: Secondly, self-directed funding, as far as the care—

Mr. David Harvey: Sure. There are some caregiver credits now. We're simply proposing that they be increased in their value and also probably in terms of the income cut-offs so that more people would be able to participate.

The self-directed funding program—there is a program in Ontario for people with physical disabilities who are able to receive funds directly and employ their own staff to provide the personal care. There is a pilot project in eastern Ontario in the aging-at-home strategy that's experimenting with that model. One of the complaints of caregivers is that they have to fit their needs into an agency system. What we're proposing is that where there is need and competency, those funds would be provided directly to the caregiver and then they would, in turn, engage the support they need.

Mr. Toby Barrett: At the home I visited, the one son was there and he runs a shop; he has his own machine shop. I'm just wondering, how sympathetic or flexible are employers as far as allowing people to either change shifts or work on flextime? For example, if someone was having a child, there's a paternity leave or maternity leave. Is there anything similar at all for other reasons?

Mr. David Harvey: There is not. We're going to be talking with the Ministry of Labour about trying to encourage at least employer education in that area, if not regulation.

Mr. Toby Barrett: Okay. Thank you very much.

Mr. Tim Hudak: I was just going to ask, if there's time, Chair—Mr. Barrett had similar questions to mine. What are the results of the pilot project in eastern Ontario on the self-directed funding—

Mr. David Harvey: It's just starting up.

Mr. Tim Hudak: Okay. And the value of the income tax credits—Toby was asking about that. So where is that level of cut-off that you'd mentioned? Do you know?

Mr. David Harvey: Sorry; I don't know that detail.

Mr. Tim Hudak: No problem. I appreciate the presentation. Those were excellent points.

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

ST. CLAIR COLLEGE

The Chair (Mr. Pat Hoy): I'd ask St. Clair College to come forward, please.

Good morning. You have 10 minutes for your presentation. The NDP will be asking the questions in the next round. If you would just simply state your name for the purposes of our recording Hansard.

Mr. Dolph Barsanti: My name is Dolph Barsanti. I'm the chief financial officer of St. Clair College. Thank you for the opportunity to appear in the 2009 pre-budget consultations. My presentation will focus on four main issues: Reaching Higher, operating funds, capital funds and collective bargaining. I hope to leave some time for questions.

We have four campuses. Our main campus is on Highway 3, Talbot Road. We have a Chatham campus, a Wallaceburg campus called the Burgess centre, and our most recent campus is in downtown Windsor, the St. Clair Centre for the Arts. We have approximately 7,000 full-time students and 25,000 part-time students.

Your government has shown leadership in supporting post-secondary education. The Reaching Higher plan announced in the 2005 budget was a much-needed investment in the system. The Reaching Higher funds enabled the Ontario colleges to implement new access and outreach initiatives, improve student services, expand learner supports, invest in learning facilities and resources, and renew and establish new programs.

Colleges launched 200 new programs in response to employer and community demand for graduates to meet shifting labour market needs. There is a consistent improvement in the graduation rates and satisfaction ratings from students, graduates and employers. At St. Clair College, through the Reaching Higher funds, we are seeing positive results. We too offered new programs and new services, including a new learning commons centre, which expanded tutoring and counselling services, and also opened up the new campus downtown—actually, next door.

Colleges have been good partners, and the partnership between government and our sector has produced real results for the province, our economy and our students. Today, we are all asked to partner again, this time to find ways to maintain and build upon the gains we've made in the face of a difficult economy and the need for restraint. Once again, we are prepared to do our part to restrain spending, as we have for many years.

At St. Clair College we have increased capacity by deferring maintenance, which is approximately \$35 mil-

lion at this point; deferred purchasing new classroom equipment, thus using obsolete equipment in some programs; and utilized part-time staff, deferring full-time hiring in order to keep our costs down. We are still currently looking at staff reductions this year of up to 10%.

When you compare the student revenue for high school, university and college students, you'll see that colleges are being asked to do a great deal with far less funding than the rest of the sector. High schools receive about \$10,000 in revenue for each student; universities receive about \$12,000 per student; however, colleges only receive about \$8,000 per student, when grants and tuition are factored in.

1040

I recognize that this inequity may not be resolved in the immediate term, and in this economy we are not asking that it be addressed. However, it is critical to realize that colleges have already tightened their belts as far as possible; thus our ability to absorb cuts is far more limited than in other sectors.

Despite the Reaching Higher investments, St. Clair College is facing serious fiscal challenges. Many colleges are facing operating cost pressures and will be running a deficit since our reserves have run out. St. Clair College is expecting to run a \$10-million to \$12-million deficit over the next three years. We are facing significant cost pressures because there is a \$100-million funding shortfall for the Ontario college system due to pressures such as enrolment growth and salary increases, including arbitrated settlements for full-time faculty and support staff.

While we support the financial needs of universities, and in particular the need to increase graduate education, colleges are being called upon in these difficult economic times to take extraordinary measures to support students and enhance training for laid-off workers.

Also, history makes it clear that during economic downturns, more and more people turn to colleges for re-training. In the past two years, we have seen college enrolment increase by over 8%, a trend we expect may continue since we have a large unemployment rate in the Windsor-Essex and Chatham-Kent regions.

In our view, this would be a tragedy for the province, because our graduates make a tremendous contribution to the economic prosperity of Ontario. They have the practical knowledge and skills required to positively contribute to an employer's bottom line from the first day of employment. The Canadian Federation of Independent Business has said businesses facing labour shortages need college graduates over university graduates by a 6-to-1 ratio. More than 90% of college graduates find jobs within six months of graduation, and more than 93% of employers report being satisfied with the quality of graduates hired.

Colleges have been able to do great things with less, but it won't continue without proper funding. I recommend that colleges receive their share of Reaching Higher funds this year, as we have in the past, so that we can continue to do the great work that we do. Because

our operating grants were flatlined last year, even this modest request will force colleges to make more tough decisions as we cope with the approximately \$100-million shortfall our sector is already facing. However, we understand the need for restraint and are willing to do our part, but we cannot do more than our share and still meet the government's objectives.

With the downturn of the economy, we recognize that there will be some difficult decisions the government will have to make. I would suggest to you that now is not the time to abandon the gains we have all worked so hard to achieve under Reaching Higher by cutting back on long-planned investments in colleges. With \$75 million in operating funding for 2009-10, colleges can help kick-start the economy. If it requires that the government run a temporary deficit in order to invest in colleges and sustain the good work we've done together, then I would support that.

With these tough economic challenges, Ontarians are looking to their government for leadership and support. We believe the government is headed in the right direction by assisting laid-off workers to get training for new careers. Colleges have been working very hard to service Second Career students, and we expect that with the recent program changes announced by Minister Milloy, we will see more uptake in this program.

Fortunately, the strength of our college system means we are well positioned to help people get the education and training they need to move into new careers. This is evidenced at St. Clair more recently through the Second Career strategy. St. Clair has also been retraining CAW workers employed by Ford Motor Co. and Chrysler, running three shifts at times. In addition, the CAW has hired St. Clair College, through the labour adjustment fund, to retrain permanently displaced auto workers in our community.

Unfortunately, St. Clair does not have the capacity to meet the local demands of the community. With the high unemployment rate, most people return to school to retrain, and we are currently forced to deny many of them access due to lack of funding.

Along with this serious operating need, we have an equally critical need for capital funds. As I mentioned, this year, first-year enrolment at Ontario's colleges was 5.6% higher than it was in 2007. This follows a 5.5% increase last year. St. Clair's first-year enrolment rose 7% this year and we expect that to continue.

Capital investments should be part of the government's economic recovery plan. We are pleased with the investments thus far to build capacity in our college, but more needs to be done. Colleges need to modernize our buildings and equipment. We have old buildings and obsolete equipment in too many areas. To repeat, our deferred maintenance and equipment budget exceeds \$50 million. Employers want people who have been trained on the latest equipment, using the most up-to-date technology.

It is critical that the government ensure that our province's colleges have the resources, equipment and facili-

ties needed to equip Ontarians with the skills they need to meet the demands of our changing economy. It is important that the government include college infrastructure funding in its infrastructure program. By investing in the college infrastructure, the government could deliver some quick wins for the economy and its skills agenda by an early investment in the top priorities identified for college infrastructure funding.

I recommend that the government invest \$50 million for capital renewal and maintenance at colleges in Ontario annually. In fact, St. Clair College would recommend that the provincial government request the federal government to contribute \$1 million to every college annually to assist in updating the buildings and equipment.

The Premier has said there are over 100,000 jobs that could be filled that require a high level of skills. Colleges must be given the necessary tools to train workers for the new economy. It is my understanding that there are unspent funds in the labour market agreement that the government can direct into college programs and help people get the necessary skills they need to move into employment.

In the 2007 federal budget, \$800 million was allocated to post-secondary education. These funds must continue to flow directly to post-secondary education. This includes the 3% guaranteed increase in these funds every year. I recommend that the province continue to flow funds announced in the 2007 federal budget directly to post-secondary education. Simply allocating the funds that have been previously announced will go a long way in addressing the needs of our colleges.

Finally, there is one other area I need to raise today—the looming problem that will greatly impact on colleges' operating budgets—and that is the implementation of Bill 90, the Colleges Collective Bargaining Act. This legislation has received royal assent and has the potential to add a \$200-million pressure to our collective agreements. The government must fund the implementation of this bill, as colleges have absolutely no ability to cover the costs of this unanticipated change.

We are asking the committee to support our proposed recommendations in the interests of meeting the goals we all share to re-skill our workforce and ensure that all those wishing to invest in post-secondary education have access to this critical resource. Only in that way will our economy come out of this difficult period stronger and able to address the labour shortages that are coming our way.

Colleges are critical players in strengthening the economy. We directly contribute to the economic development, social and cultural prosperity of our communities and the province. We look forward to working with you to make Ontario an economic powerhouse.

I will be pleased to answer any questions. Thank you for allowing me to present.

The Chair (Mr. Pat Hoy): Thank you. The questioning goes to Mr. Prue of the NDP.

Mr. Michael Prue: Thank you very much. At the top of page two is the most troubling paragraph, I think, of

what you've said. I'll quote it again for the record: "At St. Clair College we have increased capacity by deferring maintenance, which is approximately \$35 million at this point; deferred purchasing new classroom equipment, thus using obsolete equipment in some programs; and we have been utilizing part-time staff, deferring full-time hiring in order to keep down our costs. We are still currently looking at staff reductions this year up to 10%." It appears to me that you are in a great deal of trouble.

Mr. Dolph Barsanti: We are.

Mr. Michael Prue: Okay. In terms of the deferred maintenance, the buildings, I guess, must be falling apart.

Mr. Dolph Barsanti: Yes, they are. It's the chillers, it's the heating, the humidification system. We've got roofs that leak. So there are several problems.

Mr. Michael Prue: You say you're using obsolete equipment. I don't know how students learn. This is a technological society; you don't use the equipment of the 1970s and 1980s. You use the equipment of today if they are going to get the good jobs.

Mr. Dolph Barsanti: Correct, but a big portion of our budget is salaries. We're putting most of our money into salaries and not as much money into capital.

Mr. Michael Prue: But you also say, in terms of that, that you're utilizing part-time staff and deferring full-time hiring. This has caused enormous problems at York University, it looks like it's going to cause it at the University of Toronto, and I'm sure it will cause it at St. Clair College. This can't be the answer, but you have no choice. Is that what it is?

1050

Mr. Dolph Barsanti: I guess, yes. When we hire full-time people, there are the benefits and the other additional costs that we're paying, so we're going towards the part-time route to try to save our costs.

Mr. Michael Prue: Are the staff at St. Clair College unionized?

Mr. Dolph Barsanti: Yes, they are.

Mr. Michael Prue: So I would expect that they are not going to take this for very long.

Mr. Dolph Barsanti: Probably not.

Mr. Michael Prue: Then we go on to staff reductions this year of 10%. So in spite of all of this, there are still going to be staff reductions. I would assume this is the full-time staff.

Mr. Dolph Barsanti: This would be full-time staff; correct.

Mr. Michael Prue: You go on to say that you'll be running a deficit as well of \$10 million to \$12 million over the next three years.

Mr. Dolph Barsanti: Yes. If we don't get additional funding, we have forecasted our revenues based on our government grants and the 3% economic adjustment. Arbitrated settlements are 4%. Other costs are going up, so it just accumulates.

Mr. Michael Prue: I'll go the bottom of page 4, the last paragraph where you say that you cannot meet the capacity of the local demands, and with the high unemployment rate—Windsor has one of the highest unem-

ployment rates in the country: "Most people return to school to retrain, and we are currently forced to deny many of them access due to lack of funding." How many students are you denying access to?

Mr. Dolph Barsanti: I don't have the particular number, but we only have so much capacity and space at the college, and once the programs are filled, we do not open any additional programs to—

Mr. Michael Prue: How many students were turned away last year?

Mr. Dolph Barsanti: I don't have that number with me. I could get that number for you.

Mr. Michael Prue: All right. But you have been turning away—

Mr. Dolph Barsanti: Yes, we have.

Mr. Michael Prue:—willing students, people who even have to pony up the money, and you just can't take them?

Mr. Dolph Barsanti: Yes, because we don't have the capacity to take them.

Mr. Michael Prue: Is there any other place for them to go if they can't go here?

Mr. Dolph Barsanti: They could go to maybe other colleges—

Mr. Michael Prue:—around the province. They'd have to leave Windsor, though.

Mr. Dolph Barsanti: Yes.

Mr. Michael Prue: Okay. Then we go on, and you state on the last page, about Bill 90, the Colleges Collective Bargaining Act and the need for \$200 million to cover additional pressures. Has the government given any commitment to funding Bill 90?

Mr. Dolph Barsanti: My understanding at this time is that there's been no commitment to fund Bill 90. Once they get organized, the part-time people will be getting higher salaries, but there's been no commitment to fund it at this stage.

Mr. Michael Prue: What will happen to St. Clair College if there is not the \$200 million in this budget? What will happen, in terms of all those other things that are already bad and getting worse?

Mr. Dolph Barsanti: It could mean additional layoffs, it could mean we're going to turn people away if we don't pick up—especially con-ed courses that are run by mostly part-time teachers. If the cost goes up, we're not going to be able to offer the courses, so more people will be turned away. Also, we would have to maybe trim down the number of courses that we offer because the part-time costs will go up.

Mr. Michael Prue: Thank you very much.

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

Mr. Dolph Barsanti: Thank you.

ONTARIO FLUE-CURED TOBACCO GROWERS' MARKETING BOARD

The Chair (Mr. Pat Hoy): Now I'd ask the Ontario Flue-Cured Tobacco Growers' Marketing Board to come

forward please. I note that you've been sitting there all morning, but you have 10 minutes for your presentation. The rotation this time will have the government posing the questions. I would just ask you to identify yourself for our recording Hansard.

Ms. Linda Vandendriessche: Thank you. Good morning. I'm Linda Vandendriessche, chair of the Ontario Flue-Cured Tobacco Growers' Marketing Board. I sincerely thank you for the opportunity to make this presentation to you today.

We are a provincially mandated marketing board that is responsible for the production, marketing and advocacy of all flue-cured tobacco grown in the province of Ontario. We represent about 1,000 farm families who are currently involved in tobacco production, under a quota-based system. We oversee a strictly regulated framework for tobacco production, which ensures that all legally sold tobacco in the province goes through our auction exchange in Delhi.

I am here today to ask for help. Over the past several years we have found ourselves impacted by government tobacco control policies, industry and trade withdrawals and a huge and rapidly growing illegal trade. Our farmers and communities are devastated.

Our farmers are trapped. They have invested their life's work in tobacco-specific equipment and assets and are carrying significant debt associated with those assets. They need to, but can't, get out.

The Ontario government has instituted, in its own words, a "war on tobacco," putting in place some of the most rigorous tobacco control legislation in the world. Smoking bans have been enacted. Taxes have been increased. Retailing of tobacco products has been curtailed. We have not argued with these measures and we have not fought the government's agenda. We have always supported initiatives that could effectively keep tobacco products out of the hands of youth. However, unintended consequences of legislative control measures are rampant illegal trade and activity. We are no longer allowed to supply the legal marketplace. In order to compete with cheaper prices, the trade has increased imports of leaf from other growth areas. The consumer is buying unregulated product from smoke shacks and unmarked vans.

In the last decade, production has plummeted from 150 million pounds in 1998 to 23 million pounds in 2008—an 85% nosedive in just 10 years. In dollar terms, the value to Ontario producers of the 1998 crop was \$326 million. The value to producers of this year's crop is approximately \$45 million.

In 2008, contraband product accounts for nearly half of Ontario's cigarette consumption. This is a crisis. Clearly, the situation is out of control and the criminal element is rampant. Our communities, our farmers and their families are often at the mercy of these elements as criminals steal product from our farms and offer unscrupulous deals to the downtrodden farmer.

The provincial Auditor General has recently reported that contraband and smuggling is costing the provincial

treasury \$500 million in uncollected taxes yearly. I submit to you that a public policy solution is needed to this problem. The province of Ontario and the federal government recognized this in 2005, when a partial solution was put in place. Two governments jointly funded an exit plan for Ontario tobacco farmers: the tobacco adjustment assistance program, or TAAP. There were over 700 applications for TAAP, but only enough funds in the federal and provincial program to allow 200 farmers to exit.

On August 1, 2008, the federal government announced an exit program that would allow all remaining farmers to retire their quotas and exit the industry. This federal investment creates a once-in-a-lifetime opportunity for our part of the province. However, today's reality is that the majority of tobacco farmers cannot afford to transition to new opportunities on the strength of the federal exit dollars alone. The federal program will inspire an exit from tobacco production but cannot substantiate an effective transition to new and innovative lines of work.

The difficult to desperate situation faced by farmers does call for some action. This is why we welcome the proposal of Dave Levac, MPP for Brant. Mr. Levac has suggested a transition program and a source of funds for that program: Consumers of tobacco products would fund the transition program through a levy on all tobacco products sold in the province of Ontario. The levy would be a simple increase in the provincial tax of an additional \$2.50 per carton. This would bring the provincial tobacco tax up to the national average, as Premier McGuinty committed to do in 2003. Since that time, provincial governments have slowly and consistently been moving to keep this commitment. We believe that, if members think it necessary, this increase could be phased in over three years.

1100

Some of the funds realized from this anticipated increase would facilitate transition into other lines of business. They would also deal with stranded assets that farmers own: the specialized equipment and infrastructure of tobacco producers. This approach would ensure that these assets are not used by others to farm tobacco after farmers have exited the industry. This will help deal with contraband situations.

Revenues from the tax would also be available to help fund other provincial government initiatives and, at the end of the transition program, the suggested three years, all the funds from the tax could be allocated as government sees fit. This made-in-Ontario solution to the tobacco growers' crisis would stimulate the local economy and facilitate the adjustment to more productive lines of work, thus enhancing Ontario's competitiveness. It would also strengthen the environment for innovation by making funds available to grow new businesses in the agricultural sector. It could eliminate, or at least drastically reduce, the potential source of intimidation and theft for contraband tobacco production.

It is important to note that Mr. Levac suggests the province's participation could hinge upon the outright

ban on the growing of tobacco in Ontario. This idea could greatly assist in efforts to curb and ultimately eliminate a huge contraband trade that is both fuelling organized crime activity in the province and facilitating efforts to get “cheap smokes” in the hands of Ontarians, including minors.

This is an opportunity for the government of Ontario to take a leadership role in defining tobacco growing in Ontario. We have travelled a difficult path to get to this point. We are asking you to meet us there. We must start dialogue and solve these crises. Thank you.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go, in this round, to the government. Mr. Sousa?

Mr. Charles Sousa: Thank you very much for your presentation. I really do appreciate your highlighting the issues and the struggles that you have undergone. I appreciate your solutions as well. Certainly in our caucus, and I'm sure in everyone's government, we speak about some of the difficulties, and we've tried to find some solutions towards it. Our colleague Mr. Levac has come forward. He's been a real champion in this respect.

You've highlighted many of the issues and you've put forward many of the shared concerns that are out there. I just wanted to acknowledge that. I appreciate your presentation and thank you for doing what you've done in bringing this forward to us. I don't have any specific question. I am going to put it to my colleague, who would like to question you on one particular issue. Again, I just thank you very much for being here.

Ms. Linda Vandendriessche: You're welcome.

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

Mr. Jean-Marc Lalonde: Thank you, Mr. Chair.

Once again, thank you very much for appearing in front of the committee. I have one question, especially after reading your deputation. You say you support the initiative that could effectively keep tobacco products out of the hands of youth. Since our colleagues Dave Levac and France Gélinas tabled a bill a couple of weeks ago on cigarillos, I went to the corner store and I wanted to know what those cigarillos looked like. I was surprised at the number of cigarettes that exist and would be sold to children, really, and I wonder where they are produced. Do you know who produces the cigarillos?

Ms. Linda Vandendriessche: Who produces the cigarillos? One of the major three obviously might produce the cigarillos. But you've got to remember we're the farmers. We grow flue-cured tobacco, the actual leaf. A lot of that product is also imported from the United States, where that's a very common product.

Mr. Jean-Marc Lalonde: So then they don't come from the illegal suppliers?

Ms. Linda Vandendriessche: Not if they're in your corner store; they shouldn't be. But there will be all sorts of products out there that are accessible to children. As you know, there are different areas where you can buy them in smoke shacks. They come out of trunks of cars. I was in St. Thomas not that long ago and stopped to attend a meeting, and I was amazed, because the car

parked beside me had a square milk box—if you remember them from when we were kids—with folders in it, where he would have clients coming in, buying illegal brands of cigarettes.

I would hope that your government would take back the thought that if you were to empower the OPP to stop, search and seize, a lot of this problem of illegal products would be solved. The OPP needs to be able to do their job; they have to be empowered in their job. Contraband is not just cigarettes—I'm just going to open it up here for a moment for discussion—it also is handbags; it's also makeup. There are all sorts of contraband products. I don't understand why there aren't stiffer penalties for truckers who truck this kind of product. If an OPP officer could stop that particular unmarked truck—for God's sake, there are unmarked cube vans all over this province hauling illegal contraband products. Give them the power—they're on the roads every day—to stop these vehicles and see what's in them; make sure that that truck driver knows what's in that vehicle. They could have stiffer fines, or threaten to remove their tractor-trailer. They certainly would think twice about hauling illegal products. We have to do something. I'm also a parent and a grandparent, and I'm tired of kids being able to go almost anywhere and purchase illegal products.

By helping the tobacco producer get out of what they're doing and move on—let them move into something else so they can bring closure to their life of tobacco growing and grow something more productive for the area. I'm looking to you—all government—to assist us. We, here, bring you a proposal—and MPP Levac—that is basically a raising of a minute amount of tax. If you don't do it, the Big Three tobacco companies will continue to raise the price of a carton of cigarettes. So what you're losing every day, I guarantee they're picking up, because they have to report a profit to their shareholders, and they do that because they raise, and continue to raise, the price of a carton of cigarettes. This gives you an opportunity to restimulate the economy in south-western Ontario on the five counties' sand plain, and I hope to God you take it seriously.

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

Mr. Tim Hudak: Thank you very much for the presentation. On a point of order, Chair: we do have Al Teshuba in the audience, whom I've known for a number of years. Mr. Teshuba came to the committee to present and didn't know about the deadline. He's an expert on transportation issues and border infrastructure issues. I wonder if we could have unanimous consent for Mr. Teshuba to present for 10 minutes, but in the interests of time, have no questions.

The Chair (Mr. Pat Hoy): You've heard Mr. Hudak's proposal. Are we agreed? Agreed.

AL TESHUBA

The Chair (Mr. Pat Hoy): You have 10 minutes for your presentation. There won't be any questioning.

Please state your name for our recording Hansard, then you can begin.

Mr. Al Teshuba: My name is Al Teshuba. I've been a resident here in Windsor for the last 40 years—born and raised. I'm a licensed realtor; I'm also a certified math teacher; and more importantly for this discussion, I'm the co-chairman of a group called choosetunnelling.com.

Right after the initial DRIC process, the Detroit River International Crossing, came to Windsor and started presenting to the community and started getting some feedback and started analyzing the specific route—and I've been following this issue for many years, along with my colleagues on the committee, which is made up of economists; other realtors; brokers; environmentalists; business owners; and Dr. Alfie Morgan, the economist from the University of Windsor, who's retired now. Our main conclusion was that every time there's an issue about the border, there's always the NIMBY factor: not in my backyard. There were proposals for E.C. Row or DRTP. Every time an issue or location comes up, every resident stands up and says, "Not over here, not over here," and it seems like nothing is getting done, and something needs to be done. There are 18 or 19 traffic lights from Montreal to Florida; 18 of them are in Windsor. Something needs to be done.

1110

We realize that it's not so much the location but, in fact, the method of construction. One method that always seemed to be approved by everybody was that if we tunnelled the trucks—out of sight, out of mind—properly dealing with the fumes, either carbon capture and store or proper filters into the atmosphere, it would be environmentally friendly; it would be suitable to the quality of life for the residents. Windsor is a border town. We recognize our responsibility. Trucks have to go through us, and we would be okay with that.

When the DRIC continued with its meetings—I've been to dozens of meetings that the DRIC committee has put on through my group and through myself; I live a few blocks away from the corridor—I realized that they're starting to listen. From their original plan, which was about a 10-lane, above-grade superhighway—they've actually gone a long way from their current plan, which is the parkway. But, when they say tunnels, they're talking about a 120- to 240-metre overpass. The GreenLink proposal, in my opinion, is still a very reasonable compromise—we wanted full tunnelling to have the trucks go underneath, keep the cars on top to access the businesses—and I have to commend the city of Windsor. I think they came on a little bit too late to propose this, but according to the process and the agenda it always was open to feedback. They came out, I think, in August 2007 and we've been full supporters ever since.

The GreenLink proposal—and this is just something I had in my briefcase. We've spent millions, and when I say "we"—the city of Windsor. My tax money has been going to the spending of millions of dollars promoting GreenLink as opposed to the DRIC parkway plan, and it clearly shows the benefits. I was hoping that, as soon as

this came out, all the provincial and all the DRIC officials would suddenly say, "Wow, what a great compromise. It's not going to cost an extra billion and a half dollars to do this tunnelling, it's only going to cost"—DRIC says \$700 million, the city of Windsor says \$100 million—"let's say, \$500 million," and that would be the end of it. Everyone would get behind it.

The city of Windsor has received 17,000 approval cards saying that GreenLink is better. Every meeting that I go to: GreenLink is better, tunnelling is better, more green space, quality of life is better, better health results, our property values would go up. Clearly, there are benefits.

One thing that I've always advocated for, both for the city and for the DRIC—Dr. Morgan and I actually wrote an article about this in the Biz X Magazine, which I will certainly e-mail to Mr. Short and hopefully he can forward it to everyone—is a simple summary cost-benefit analysis. We need to look at this as an investment. Let's say it does cost an extra \$500 million to do GreenLink as opposed to the parkway plan and everybody's more in favour of GreenLink and the benefits are there. How do you justify spending an extra \$500 million in this economy? I think it's quite simple. When you consider that OHIP is the one that's paying the medical for our citizens and you can have a saving of health, factor that in. How much is a life worth? How much is paying for someone's emphysema or cancer worth over the long haul? Do a calculation. If we have increased property value over the area—because now we're living next to central parkland—how much extra tax money will our city receive because their houses are worth more, not to mention the owners themselves will have equity in their houses to leverage and have more value?

These are factors that are not being calculated: noise reduction, less expropriation, less legal fees to expropriate, a cost-benefit analysis to justify this \$500 million, not to mention, of course, that if you use Canadian workers, Canadian materials, Canadian companies to do the work and these people and these companies are all taxed, this is a stimulus into the economy and the majority—I would say about 50%, Dr. Morgan says about a third—would go back into the government anyway. So it's not really a spending cost, because it's spinning into the economy. So we get a world-class, final infrastructure project that will last for 50 to 100 years. The community would be better, safer, cleaner. It would welcome our American friends into a much more elaborate and fantastic—showing more green care. And I believe it's more cost-effective when you measure these costs and benefits over the next 50 to 100 years. Our analysis shows that the benefits are about \$2 billion.

Even if there was no benefit, considering that Windsor is taking the brunt of the traffic, the brunt of the fumes and the brunt of the noise, and there's \$400 billion worth of trade going through our city every year, what's \$2 billion or what's an extra half billion dollars to do the project right? That's my presentation in a nutshell.

The city of Windsor actually—and I don't like this particular route, but it seems this is what they believe

needs to be done in order to get their point across—has hired David Estrin, an environmental lawyer from Gowlings. They did a presentation last night, as a matter of fact, showing the environmental benefits. I don't want to see lawsuits. I certainly don't want to see this delayed. I don't want to see a conflict between my city and my province.

I would hope that they would work together, and I think the bottom line is we can all agree that if there is a monetary benefit over the long term doing a GPI analysis, genuine progressive index analysis, which measures quality-of-life factors including property values and health and so forth, then it could be justified.

How can you go back to your own ridings and say, "I just voted to spend an extra \$500 million in Windsor?" You should be spending money in your own ridings; how can you justify it? The justification is that this represents all of Canada; this represents all of Ontario. If there is a true cost-benefit analysis, I'm certain, added on to the work that Dr. Morgan and I have already done, it will show \$2 billion worth of benefits.

I guess I would like to see a cost-benefit analysis, or at least some consideration more for GreenLink. I know many politicians, including our two local MPPs, constantly say, "There's a process; leave it with DRIC," but the final conclusion is going to come down to Queen's Park. It's going to come down to our members of Parliament representing all of Ontario. Sure, you should be taking your recommendations from the DRIC personnel.

I could say from the dozens of meetings there that they have not listened as well as we would like to have had them listen with regard to tunnelling and the benefits. A simple comparison should do the analysis.

How much time do I have left?

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

Mr. Al Teshuba: One minute?

While I'm here, I'd also like to talk about a development project that my partners and I from Can-Am Tourism Development are proposing. It deals with utilizing the existing 100-year-old light rail tunnel. It currently has freight, 25 to 40 trains per day for freight. We'd like to convert that to light rail, open up a Chinatown district along with a Mexican town district, have travel, have a park on top, including a water park and trails and business. We are about 12 months away, and we're also working on a feasibility study. We've spoken to many MPs and Transport Canada. I'm just giving you a heads-up about it so if you hear it down the pipeline, you heard it here from the source.

The Chair (Mr. Pat Hoy): If you send any material to the clerk, he'll make sure that all members of the committee get it.

Mr. Al Teshuba: Absolutely, I will. I really appreciate this. It's nice to know that the public can speak to their MPPs directly.

The Chair (Mr. Pat Hoy): Thank you, and we are adjourned.

The committee adjourned at 1118.

CONTENTS

Tuesday 16 December 2008

Pre-budget consultations	F-693
Workforce Development Board of Windsor-Essex	F-693
Ms. Marion Overholt; Mr. Tony Paniccia	
Mr. Grant Church	F-694
Greater Kitchener Waterloo Chamber of Commerce.....	F-697
Mr. Art Sinclair	
Legal Assistance of Windsor	F-699
Ms. Marion Overholt	
Dietitians of Canada.....	F-702
Ms. Leslie Whittington-Carter	
Ontario Coalition for Better Child Care; Canadian Union of Public Employees.....	F-704
Ms. Patricia Stropole	
Alzheimer Society of Ontario.....	F-705
Mr. David Harvey	
St. Clair College.....	F-707
Mr. Dolph Barsanti	
Ontario Flue-Cured Tobacco Growers' Marketing Board	F-709
Ms. Linda Vandendriessche	
Mr. Al Teshuba.....	F-711

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