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Tuesday 26 January 2010

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des débats
(Hansard)**

Mardi 26 janvier 2010

**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
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Tuesday 26 January 2010

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Mardi 26 janvier 2010

The committee met at 0901 in the Delta Armouries Hotel, London.

The Vice-Chair (Mrs. Laura Albanese): The Standing Committee on Finance and Economic Affairs will come to order. We are pleased to be in London for today's hearings.

PRE-BUDGET CONSULTATIONS
CITY OF LONDON

The Vice-Chair (Mrs. Laura Albanese): We'll begin with our first presentation of the pre-budget consultations 2010. We have our first presenters. We welcome the city of London and the mayor, Anne Marie DeCicco-Best. You will have 10 minutes for your presentation; that will be followed by up to five minutes of questioning, and the first round will go to the official opposition.

Please state your name for the purposes of our Hansard recording and you may begin.

Ms. Anne Marie DeCicco-Best: Okay, thank you very much. Again, I'm Anne Marie DeCicco-Best, mayor of London. I want to welcome all of you here. I hope that you had a good stay and will have a fruitful day today in terms of all the presentations that will come forward.

We've distributed a brief to you. I have a number of staff members with me. Grant Hopcroft, whom many of you may know, has been a long-standing employee of the city of London as well as on the elected side at one time, so he has quite an amount of experience. I have two other members who are also in the audience in case there are any additional questions.

The brief that we have presented to you is actually 18 pages long and I have no intention of going through each and every one of those pages. Hopefully, at your leisure—

Interjection.

Ms. Anne Marie DeCicco-Best: Yes, I know. You're a former council member, so you know.

What I would like to do is, I've highlighted and chosen a number of aspects of that brief to highlight to you.

I'd say at the outset that we all understand the economic times that we face as municipalities, as well as a province and country. What we are trying to do in our presentation to you is not only give you a number of opportunities where we think we can continue to work together in strong partnership and build our cities, but

also make some comments on areas where we hope that, as the government moves forward, it will give you some fruit for thought on areas where we can see improvement.

I always like to start off with thanking the government for some good-news items. We've been very fortunate here in the city of London to be the recipients of a number of initiatives and the funding that goes with them. Not that I'll mention each and every one of them, but I would say that the uploading of the municipal cost of Ontario Works benefits, as well as ODSP and the drug benefits, has been to the improvement of our community, and I would suspect most other cities would feel the same way. It has certainly helped our bottom line, and we do appreciate the government's commitment and understanding that these services on the tax base at a local level is not the appropriate way in which to deal with them. We'll look forward to continuing that upload in the years ahead.

We also want to recognize the municipal infrastructure stimulus funding that has come forward. This has come to us in a number of different ways, through a number of different programs. But of course, here in the city of London we are very fortunate to be able to have a three-way partnership with the federal, provincial and municipal governments of approximately \$100 million. A third of that share was from the province of Ontario. I understand that now the province, as does the federal government, also has its own deficits to look after, but those stimulus dollars have been extremely important for our community, to get people back to work and to be able to move up a number of projects that we would have had to wait probably three or four years to do. So the stimulus money has been very important for us. As I mentioned, on pages 1 and 2 there is a whole series of different funding and projects that have come forward, and we really do appreciate that.

As we go into some of the actual recommendations for consideration, when we get into pages 3 and 4 of our brief, we've tried to outline a number of different initiatives that the government is looking at right now that look at regulation. One of the things that I really want to stress on this is that each and every time the government comes forward with a new regulation, there are both pros and cons to that.

There are unintended consequences, in fact, in most cases when we're all trying to do the right thing. Sometimes the regulations have a huge financial impact on a municipality or make it very difficult to be able to move

forward with the actual program itself. What we've tried to do is outline a number of different regulatory areas that you're currently looking at, and we would ask that you give very serious and careful consideration before anything moves forward or they're put into place. We would continue to strongly recommend that you also continue to talk to municipalities that have the experience in these areas and can tell you, first and foremost, what will happen if some of these things move forward.

We've made the case on the Dearness Home and long-term care, which is something all municipalities will be thinking about. Our operating costs have actually risen from 17% to 25% of the total costs and on a per-bed-day basis, our costs have actually tripled while the provincial share has not even doubled. This will be something that you'll hear across the province, and there's more information there on this point.

Another one of the areas is the clean water and safe drinking water legislation and the regulations that continue to increase, and that increases costs for municipalities at a time when all of us are trying to keep our rates down, but we're still trying to provide good service. We have placed a high priority in London on water, waste water and safe drinking water, but sometimes the regulations that come forward don't get us any further ahead and have, again, a very high cost attached to them.

In water and waste water, our utilities, there needs to be appropriate integration and implementation plans during the transition under the new regulations that are coming forward. Again, the cost burden is going to fall on the users, so we would really want to ensure that it's done in a very manageable and sustainable fashion so that careful thought is given as to who's going to have to pay for this at the outset.

There are also new standards and arbitration-driven settlements for emergency services. This is something that, in fact, I can tell you: Through the Large Urban Mayors' Caucus here in Ontario we have a special committee that we set up probably five or six years ago where London is an active participant, because we have seen as municipalities that the cost for emergency services, in particular in the settlements that are taking place across this province, becomes very unmanageable to the bottom line. When there is a benchmark set, whether in police, for an example—the OPP or Toronto police force—then everybody ends up having to follow suit, and it makes it very difficult for the rest of us to be able to pay for those. Yet if you go to arbitration, what normally happens is if one starts, the rest follow, so it becomes very difficult for us. We have been trying for quite some time to get the ear of the government in changing this arbitration process, and we have now used this committee as a way to try to be more consolidated in our efforts as municipalities. But we would ask you to continue to look at that area and to work with us to see the changes that are needed for that.

One of the big areas in regulations that, again, I believe we have taken a leadership role on in London as it relates to the entire province—but I know every city is

looking at this—is the new AODA accessibility regulations that are coming forward. We have already made a number of presentations to the committee that's been set up by the government to hear from us. Our briefs have been extensive; they have been very detailed. We provided some information in this brief, but if you want more detailed information on that, we would be happy to provide it to you. That will come forward at a particular time.

Again, we have done, I think, a great job with our own accessibility plan here in the city of London. We are one of the first municipalities, in fact, to have one of those, and so we are very committed to this. But we also know that the current rules and regulations that are being looked at and how the standards would come in would be a massive undertaking financially, and it would make it very difficult for any municipality to be able to meet this standard. We are in agreement that it's a good thing to move forward, but we caution how quickly and how that integration takes place. There seems to be even a number of different standards out there and different reports that say, "You've got to do this," and "You've got to do that." What we would see would be a more integrated fashion.

So we've made, again, as I say, some very detailed recommendations on that, and we'd be happy to give you more if you need that.

The Vice-Chair (Mrs. Laura Albanese): You have about two minutes left.

Ms. Anne Marie DeCicco-Best: Okay. Maybe what I would just do is say to you again that as we go forward on this, we definitely have some areas of expertise in affordable housing and social housing. We've continued to work with the government on that; again, we've made a number of presentations. We think that there should be a national strategy on housing, but the provinces each have to be a part of that, as should municipalities. We've worked very hard on that, and there's more information on that. If you go into our brief, you'll see everything from Hostels to Homes, which was a program that has been very successful in London that has been partly brought forward by the provincial funding that we would consider moving forward, to areas in waste diversion, tax capping, development charges and some other programs that we have here in the city of London that are very unique.

0910

Our bottom line is that we have always believed that working with the government is a much stronger way to move forward, and we would look forward to continuing to do that. I hope that you'll take the time to look at each and every one of our ideas, and if you have any questions, we'd be happy to answer those.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation. I will now turn it to the official opposition. Mr. Miller.

Mr. Norm Miller: Thank you very much for your presentation. I know my colleagues have some questions as well, but I just wanted to ask you about the emergency services arbitration issue that you raised. What sort of

suggestions have you got to try to, you know—we heard yesterday from another municipality that arbitration is resulting in 4.5% to 5% increases in costs and that it's a real problem for them. It sounds like you have a similar situation. What suggestions would you have for modifying arbitration or to try to get that manageable, I guess?

Ms. Anne Marie DeCicco-Best: I would answer two ways. The most simple thing that we have been asking for is to ensure that in the actual parameters that an arbitrator is given, a lot more attention is paid to the local case rather than what's happening in every other municipal jurisdiction. It may seem like a really simple thing and you may think that that's already happening—

Mr. Norm Miller: So is that like ability to pay, or how do you work that in?

Ms. Anne Marie DeCicco-Best: In each municipality, whether it's a police service board or, in this case, with fire and paramedics, it's the responsibility of the municipality to make a case as to what you can pay, and ability to pay is certainly one part of that. The answer is not "a municipality can pay whatever is the going rate," because we also have to go back to our taxpayers and say, "This is how much it's going to cost you." So, for us, it's important that at the arbitration level more attention is paid to us making a case locally as to why we think we can only afford a certain amount rather than looking at what happens elsewhere.

I'd also say that whatever the benchmark is, and I use the OPP as an example, those rates are set by the province. If the province is going to pay a certain amount or give certain premiums or give certain benefits, it makes it very difficult for any of us at the municipal level not to follow suit.

Mr. Norm Miller: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Mr. Barrett.

Mr. Toby Barrett: Thank you to the city of London for presenting again to this committee.

I wanted to get an idea of how London is doing. We heard a bit about how London was doing last year as far as commercial and industrial, and you would see some of this through assessment, perhaps. How are we doing in the city as far as the economy?

Ms. Anne Marie DeCicco-Best: Well, I'm sure you would be following that over the last year, as unemployment continued to rise, this region was one of the hardest hit areas, and manufacturing is one of our key areas. And certainly it takes in more than just our community. St. Thomas, for one example, has been hit exceptionally hard, losing many plants in their community. So there's no question that we have some what I would say are unique challenges. We've made that case to a number of your colleagues at the provincial level as well, that we think we also should bear some unique support that way, because of our economy, as we continue to build and look for new ways to redefine our economy.

But having said that, London is a very diverse community. We've had growth in a number of areas, and we're continuing to see a rebound here. It will be

gradual, like any other place. What will support us and help us is, as we come forward with our economic plan which we have developed as a council, it will look for partnerships, and the province will be one of those partners in a number of areas. So we will bounce back and we will be stronger as a result of that, but it will be gradual and we'll need the support of our partners, including the government, in order to do that.

Mr. Toby Barrett: Is there any evidence that stimulus funding at either the federal or provincial level is creating employment?

Ms. Anne Marie DeCicco-Best: The majority of our dollars will be spent through 2010 because of the way the program was announced by the federal government. It took them a long time to get off the ground running, so it took us some time to get our tenders and everything out. But about 80% of our funding will be through this year of 2010, and we'll meet, hopefully, next year's deadline of March 2011. But I can tell you that one of the things the stimulus dollars also did which helps us on an economic front is, because we were able to advance by about three to four years many projects that we would have had to wait to do, it has given us a capacity of about \$55 million which we are now creating an economic development fund on and which will be used to leverage new economic opportunities in this region. So we were able to do two things by putting people back to work quickly and still leaving some opportunity there for the future.

Mr. Toby Barrett: Great. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. We have 30 seconds left.

Mr. Peter Shurman: Let me just ask you a quick question, then. Yesterday in Niagara Falls, the mayor was concerned about sustainable infrastructure funding. Is that something you would share?

Ms. Anne Marie DeCicco-Best: We always need to be able to count on dollars being there every year and not being one-offs. So if we could count on a number of these programs being there for the long term, it would certainly help our bottom line.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for appearing before the committee this morning.

Ms. Anne Marie DeCicco-Best: Thank you very much.

INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

The Vice-Chair (Mrs. Laura Albanese): Now I call on the Interfaith Social Assistance Reform Coalition to come forward. Good morning.

Mr. Brice Balmer: Good morning.

The Vice-Chair (Mrs. Laura Albanese): You will have up to 10 minutes for your presentation. There could be up to five minutes of questioning after that. I would ask that you please identify yourself for the purposes of our recording Hansard.

Mr. Brice Balmer: Right. My name is Brice Balmer and I'm the director of ISARC, and with me is Alexandra Béasse, who is working with us as a MSW practicum student from Yeshiva University.

I'm not going to read through this. I'll just go through the important points. In the faith community, we believe that it takes a village to raise a child, and we think that perhaps it's not only the children that need the village, but all of us personally. We also wanted to quote Deb Matthews, who was the head of the child poverty reduction group, saying, "We must have all hands on deck." We think that we're trying to do that locally from our faith communities.

ISARC and its members have appreciated the work of the government as it establishes full-day junior and senior kindergarten, the Ontario child benefit, the Ontario poverty reduction strategy, and of all parties as they unanimously passed the poverty reduction law, the affordable housing consultations and now the Ontario social assistance review. These are promises from the Liberal platform but we also realize that all parties had poverty reduction in their platforms in 2007 and hope they do it again in 2010. We're glad that these promises are being kept and we hope that they'll be a substantial down payment to decrease poverty and implement the strategies.

We think this is not only poverty reduction, it's also reducing the effect of the recession. As many economists tell us, and as we know from our own experiences, low-income people spend their money locally.

I'd like to just mention four points: three main ones and a fourth one.

First of all, child care: We're very concerned about the \$64 million for the 7,600 child care spaces that are sort of up in the air at this point. We hope that the budget comes down with that. ISARC appreciates the \$18-million subsidy but we're also concerned about possible reductions, and if we want parents to go to work, we need to provide child care. Parents will be searching for alternatives, and we're very concerned that unregulated child care spaces may have a detrimental effect on some of these children.

The provincial budget comes in time for our regions and municipalities and our child care providers to take action. As I was listening to CBC this morning, child care providers are already talking about having to close down because of the full-day JK/SK and because of this 7,600 reduction in spaces. So we have a clear crisis in front of us right now with child care. For the child care providers, many of which are in faith communities, one of our concerns is that the younger children need more care than the four- and five-year-olds. We hope that the province studies that.

Second of all, affordable housing: The rationale for affordable housing has not always been to provide housing for low-income people; it has also been an economic stimulus to get people back to work. So we're concerned, first of all, that there is more affordable housing, and that even though there's money in the pipeline, we

hope that the province puts \$250 million behind the affordable housing strategy, that you put \$250 million behind that as a down payment, so it's not just the federal monies, but it's also the provincial monies that are there.

0920

Second of all, faith groups have many affordable housing development corporations that are working on this issue. We hope that our municipal governments are able to work and set the priorities and who are appropriate development corporations for the affordable housing. To put in for approval at the provincial level is one step further from the local communities, and we think the local communities need to have a primary place in the decision around where affordable housing goes. They should be a part of establishing what the priorities are in their community.

We also allude to the Federation of Canadian Municipalities, which have also come up with some of these recommendations.

Currently, some of you may or may not know—it's in your London brief as well—that many non-profits are having trouble bringing more and more social assistance recipients into affordable housing. If you're an affordable housing provider, for a single person, you get \$119 if they're on social assistance; you get 30% of their income if it's a person who's a low-wage worker. So some of our non-profit housing providers are starting to feel the effects of having this lower rate for people who are on ODSP and OW, and it's making their life much more difficult. We think that non-profit housing providers should get the full 30% or the maximum housing shelter allowance there.

Finally, in housing, we're very, very happy with what's happening when people are moving from hostels to homes: the H2H project. In Kitchener, where I'm from, we're seeing dramatically positive effects of that. We realize that because people have been homeless sometimes or in very, very difficult housing situations for up to 15 years, it's important now that we help those people get into homes, rather than to stay in the hostel system or on the streets.

On income security, we're glad for the increases in the Ontario child benefit and would encourage the government to move that up another step, to \$125 per child per month. We're also concerned that many of our people cannot pay the rent and have a nutritious diet, so we're endorsing the healthy food supplement of \$100 per adult per month. Many of our people are living on just abysmal incomes and can hardly even afford the housing, let alone food, so we think this is a very, very important process.

We think that if you actually took a look at it, some of these people are visiting doctors much more often. If we really want to look at our hospital and health care system, if people have nutritious food, they don't use the health care system. If you want to reduce some of the costs in the emergency wards, it would be good to do the \$100 supplement. I know I don't like to sit in an emergency ward, because I see too many people I know going through there, and it's partly because I've worked with a

lot of people who are addicted to drugs and alcohol and are low-income people in our community.

Finally, around income security, we are glad for the way the minimum wage has been raised. If we put the minimum wage to \$11 an hour in 2011, that would equal what the minimum wage was in 1995. We still know that for single persons to work and take care of themselves—at least in the Waterloo region—it's \$15 an hour. So we're still behind what a living wage is, but minimum wage is moving up and that's a good anti-poverty reduction.

Finally, in equity and anti-racism, we realize that a significant number of the people who are poor, a higher percentage than average, are people of colour and people of ethnic groups. We would like to see that there be some way, a directorate—or some way that this could be addressed.

Ontario has begun to reduce poverty. Good ideas are emerging. This is happening at the federal and the provincial level, at least at the federal level until it was prorogued. But we want to also track this, as ISARC. So from February through May, ISARC will be conducting a social audit. This is our fourth social audit since Transitions, which was done by the Liberal government in 1986. We're going into 25 communities. We're much more thorough than we have been in the past. We're especially targeting rural, new Canadian and single adults and trying to spread it over much more of the communities. We're also negotiating with CUPE to hear some of the opinions of people who are social service workers in the social assistance welfare system. We're also talking to some other local people who are service workers in the non-profit sector. We will ask them about the effects of poverty in their lives, and we will ask them how they think they can break the cycle of poverty for themselves, their families and their neighbours.

Local convening groups are springing up across the province. They will be bringing local reports. As well, we'll be bringing a provincial report. As MPPs, many of you will be asked to meet with your local group to talk about what happened in this local social audit—

The Acting Chair (Mr. Kevin Daniel Flynn): Thank you, Brice. You've just reached the end of your time. Were you just closing?

Mr. Brice Balmer: Oh, I thought you were going to give me a warning.

The Acting Chair (Mr. Kevin Daniel Flynn): I thought you were coming to the end anyway.

Mr. Brice Balmer: We want to all work together. This is what we're doing to make sure poverty is eliminated in Ontario. Thanks.

The Acting Chair (Mr. Kevin Daniel Flynn): Perfect. Thank you. Michael, it's your five minutes.

Mr. Michael Prue: My first question is for you to please complete what you were going to say.

Mr. Brice Balmer: On the last page, you'll see our stuff. What we really want to say is that the Ontario faith communities have been on deck for generations trying to eliminate poverty. Poverty has gotten worse. We're in the

focus of it getting better. We really want to continue to work with you to make this better.

Some of the services working out of faith communities have actually been going for 25 years. The volunteers are tired. We're not getting the donations we used to get. We really need help to work at the survival funds that we're producing. We would like to help with child development, with neighbourhood development, with all kinds of stuff, and we get stuck in providing survival services. We really hope that some of these ways will help us to get out of the survival mode.

Mr. Michael Prue: Okay. Some of the questions that I want to ask—I always love the work that ISARC does, the optimism that you bring to the table. However, when I listen to the Premier, I get a little chilled these days because there's a \$25-billion deficit, and the Premier has reiterated again and again and again that his priority is not poverty. It is, to be fair, health, education and jobs. That's what he says over and over.

How much money do you think is going to be necessary in this budget to make a real start on reducing poverty?

Mr. Brice Balmer: I think the programs that have been articulated by the 25 in 5 group, and I think that's around \$1 billion to \$1.5 billion in the 25 in 5 blueprint, we would stand with that. It's not a lot of money. I think this child care thing is in addition to some of that. ISARC works with the Ontario Alternative Budget. They do an analysis of the budget, and I would hope that the government and the opposition parties pay attention to that.

ISARC also is concerned that there's a growing gap between the rich and the poor in our community. We know that some people in Canada are still doing very, very well, whereas some of the people we're working with can hardly survive. So I think we need to be a community where all participate in making it a healthy community for everybody.

Mr. Michael Prue: I am particularly concerned about what people who are on welfare eat. I've been on the welfare diet twice to try to point out to people how horrible it is. The rates have not increased significantly for people on social assistance, save and except if you have some children in a poor family, where they've gone up marginally. But if you're a single adult, they haven't even kept pace with inflation for the last six years. What should we be doing there?

Mr. Brice Balmer: Well, all of you can go on the website—now I forget the name of the website—and you can look at what it costs to live. It's out of The Stop in Toronto, and they've done a really good analysis of what happens. We think that \$100 a month would be a substantial increase, especially for single adults, and it would actually allow single adults to start to buy nutritious food. Therefore, it would decrease some of the health costs that we have.

Now, we'd also like the government to work with us to investigate whether that actually happens, but we know that if people have more money and if they eat

well, they're not going to end up in the hospital as quickly.

0930

Mr. Michael Prue: The last time I went on the welfare diet, it was \$12 for 10 days, and that's pretty standard for what people were eating. I would assume today it's worse than that.

Mr. Brice Balmer: Yes.

Mr. Michael Prue: So the \$25 is just to allow them basically to eat—\$25 a week.

Mr. Brice Balmer: Yes. All of our public health departments have come down with what it takes to have a nutritious diet. All of our public health departments and medical officers of health are now saying that in Ontario, with minimum wage or with social assistance, you cannot pay the rent and eat a nutritious diet. We had a bit of a controversy in Waterloo region because the health department said that an older woman should be able to survive on \$25 a week worth of groceries. The older women just had a complete fit. They said, "We need more than \$25, and what does it mean? We need to sometimes have our children come and eat supper with us, and we can't do that on"—it was either \$25 or \$35. So these older women wanted to go with the public health people to the grocery store and actually figure out what would be a good diet for them.

So we are in a difficult situation. If people are on minimum wage, even full time, or if they're on social assistance of one kind or another, they can no longer afford the rent and food, and we need to figure out how to handle that.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. The time has unfortunately expired. Thank you for appearing before the committee this morning.

LONDON CHAMBER OF COMMERCE

The Vice-Chair (Mrs. Laura Albanese): Now I call on the London Chamber of Commerce to come forward. Good morning. You will have 10 minutes for your presentation. That will be followed by up to five minutes of questioning. This rotation goes to the government side. Please identify yourself for the purposes of Hansard before beginning.

Mr. Gerry Macartney: Thank you, Madam Chair. My name is Gerry Macartney. I'm the CEO of the London Chamber of Commerce. I am joined today by the president of the board of directors, Mr. Kevin Switzer, who's also the vice-president of corporate finance for Davis Martindale; Doug Marshman, who's the chair of our federal-provincial affairs committee and a partner with Deloitte; and Kristen Duever, who is our policy analyst and marketing and communications coordinator.

Thank you for coming to London and thank you for the opportunity to present our views to you today.

The London Chamber of Commerce is the recognized voice of business in London. With over 1,000 member firms, we represent about 56,000 employees, and we've

been doing that for the better part of 153 years. That's the shortest chamber commercial I'll ever give.

Members of the committee, our recommendations today are based largely on the outcomes of a recent pre-budget survey that we issued to our members earlier this month. We believe their responses indicated generally what the vast majority of Ontario businesses feel right across the province. We've attached a survey result sheet for you at the back. It's a graph that indicates the three or four main areas of concern that our members had. I invite you to look at that and you'll see that the chief concerns centre around debt, deficit and lack of a plan in that regard.

First, allow me to thank the provincial government for their courage in the face of one of the most trying economic periods in our history. The government deserves credit for trying to pull our economy out of the clutches of a recession and for helping us get back on track through the various stimulus initiatives that they've offered to municipal governments, businesses and individuals alike. Notwithstanding the enormous costs and the political risks associated with these historic initiatives, we understand that the government did what it had to do when it had to do it. Is it enough? Don't know. Time will tell.

However, now that the stimulus initiatives are under way and a timetable for their implementation is put in place, we believe, as we head into this next budget period, that now is the time to implement a defined formula for Ontario's provincial deficit strategy. A comprehensive and practical plan to eliminate the provincial deficit in as reasonable a time frame as possible is in order, while at the same time remaining resolute in the direction that is set for comprehensive tax reform.

Our ability to compete as a province will depend to a great degree on the continuation of the corporate business tax strategies that have already started paying huge dividends and will continue to do so well into the future. To retreat on this strategy will cripple Ontario's competitive position and dash any hopes of new investment and job growth for Ontario. We also recognize that to prematurely retreat from the stimulus initiatives that have helped us to gain this foothold on recovery would not only jeopardize certain sectors of our economy, it may indeed reverse or defeat any hope of a full recovery going forward.

Ladies and gentlemen, our recommendations are designed to provide an effective balance between acting prematurely, acting too late or not acting at all. It's our view that the government can and should act prudently to focus spending in areas that aid recovery while limiting or eliminating spending in areas that provide little or no value and do not contribute to our economic recovery. Given the government's massive stimulus package and the record deficit spending, restraint now must be the focus. To avoid structural deficits and skyrocketing debt, the government must apply a disciplined spending approach to eliminate the deficit.

London Chamber of Commerce recommends the government's plan for a comprehensive review of expendi-

tures and a deficit reduction plan should adopt the following principles:

Remain committed to the principles and timelines of tax reforms announced in 2009. With a more competitive tax environment secured through lower marginal effective tax rates, London's business community—indeed, all of Ontario's—will be in a better position to return Ontario to its former status as the economic engine for Canada. We've long advocated for a tax reform package that includes sales tax harmonization, the elimination of capital tax, the consolidation of corporate tax collection and more competitive personal and corporate income taxes. The passage of Bill 218, we believe, puts in place the final pieces in that tax reform package.

The Ontario government should focus not on any quick fixes but rather on long-term, sustainable fiscal solutions to address the budget deficit.

The government should establish firm expenditure targets. Smarter, more efficient spending must be applied to all programs, including health care, which is Ontario's fastest-growing expense. At the same time, smarter spending has to recognize the critical, valuable role that education and training have on our future prospects for job recovery.

Also central to improving Ontario's fiscal position is the need to continue its focus on infrastructure spending. We've long held the view that infrastructure is the highway on which commerce travels, and while we've done a pretty good job in recent days of improving our infrastructure, we have a long way to go. Arguably, the national deficit in infrastructure is somewhere between \$125 billion and \$200 billion.

Ontario must address the long-term demographic risks its future health care costs provide. That said, the annual increase in health care costs as a percentage of the total budget is practically and mathematically unsustainable. We continue to recommend a larger role for private industry in a publicly funded system, to encourage efficiencies, enhance productivity and foster innovation.

The efforts that have been made to craft out a new deal, as the mayor mentioned earlier, for Ontario municipalities are not only worthy of note; they provide critical component pieces for a full recovery in Ontario. Continuing the old practice of offloading onto municipalities simply doesn't work and it won't work in the future.

The government should lay the foundation to reduce debt in the long term. To do that, we have to eliminate the deficit. It's our view that based on the kind of growth we've seen in the last 30 to 60 days, coupled with signs of recovery in the US economy, and with the appropriate spending measures in place, the government can and should target a reduction in the provincial deficit in the range of 30% by the end of the fiscal year, March 2011, with reductions of 10% per year in the subsequent years—examples are 40% by 2012, 50% by 2013 and so on—with the elimination of the deficit, at worst, by the end of the decade, around 2019.

If you look at the graph again, you'll see that our members were chiefly concerned about the size of the

debt, the size of the deficit and the lack of an articulated plan to eliminate that deficit.

Thank you very much for your time. I will be happy to accept any questions that you have.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation. I now turn it to Mr. Ramal.

Mr. Khalil Ramal: Thank you, Gerry. Thanks to the president and the chair and the analyst for coming this morning and presenting to our committee.

I know you have been a champion for tax reform and reduction of the corporate tax and surtax etc. to make Ontario, especially London, a very competitive place and an attractive place for businesses to come and open.

In your opinion, then, our tax reform meets your vision—or not yet? Also, how can we achieve the maximum level of that vision in order to attract more business to the city of London and the region?

Mr. Gerry Macartney: I think the tax reform package that we've seen recently goes a long way, if not completely, in answering some of the concerns and questions that we in the business community have held for some years.

Interestingly, we've just returned, Kevin and I, from the Canadian chamber national convention, held in Victoria, and 318 chambers of commerce voted unanimously for that same kind of tax reform package across the country. So whether we like harmonization or not—and we understand that there's going to be some pain associated with that—it's the right thing to do in the long term to make us competitive as a province and as a nation.

Unfortunately, with all the exemptions that we're seeing, that continues to bump up the percentage. If there were no exemptions, many of the main economists in our country argue that we could have a single-digit tax.

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Mr. Khalil Ramal: Okay. Gerry, you mentioned health care, smart investment in health care, and you said that we should open for private. But as you know, the main attraction for many companies to come and open in Ontario, especially in this region, is because we have publicly funded health care. It attracts more companies to come and give us some kind of advantage. How can you say otherwise, and why do you—

Mr. Gerry Macartney: Khalil, that's part of the great debate. The reality is that 26% of your health care today is provided privately, so it's not a new phenomenon. The private sector has been engaged in health care for some time. We're talking about the advancement and the enhancement of private-sector participation in the health care system in a single-tier environment. That can be done, it should be done, and I think there are all kinds of opportunity for Ontario to take advantage of that.

Mr. Khalil Ramal: Thank you very much. I guess Maria has a question.

Mrs. Maria Van Bommel: Thank you for presenting this morning.

I'm particularly interested in your comments around the deficit. You talk about the elimination of the deficit,

at the worst end, by 2019. You say the worst, so what should be the proper amount of time it would take for us to eliminate a deficit without doing the harm that you talked about in terms of quick fixes?

Mr. Gerry Macartney: It's sort of two trains going down parallel tracks. If the economic recovery that we're seeing taking place now really takes root and it starts to move in the direction that we believe it will take root in, then I believe you can achieve the targets that we've set out, the 30% by 2011, 10% and so on thereafter. Obviously, you're going to have to adjust that, depending on how the economy recovers and if it recovers, without damaging the amount of recovery we've seen to date.

We're optimistic that that recovery is taking a foothold and that we'll see that continue throughout the next two to three years. We would invite the government to investigate our formula quite closely, and if you don't like ours, show us a better one.

Mrs. Maria Van Bommel: Your survey demonstrates that the chamber and members of the chamber are very concerned about the deficit and about provincial debt, but I'm wondering, do you think that the public is as aware as members of the chamber are and as concerned about the deficit as you are?

Mr. Gerry Macartney: Debt and deficit have been one of the two hardest things to explain to the general public historically, because, first, they think they are both the same thing, and we know that they are not. What they feel is the pain of program reductions that otherwise could have been spent on them and on this nation but instead go to debt servicing costs. So the sooner we educate and inform our public about what the costs of debt and deficits are, the better. You'll know that at the federal level we're achieving about \$153 million of accumulated debt per day more to the national debt on a daily basis. That's frightening, and that's your children, my children, your grandchildren paying for that cost.

The Vice-Chair (Mrs. Laura Albanese): Twenty seconds left.

Mrs. Maria Van Bommel: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation today. Our time has expired.

Mr. Gerry Macartney: Thank you very much. I appreciate the opportunity.

LONDON HEALTH SCIENCES CENTRE

ST. JOSEPH'S HEALTH CARE

The Vice-Chair (Mrs. Laura Albanese): We now call on the London Health Sciences Centre and St. Joseph's Health Care to come forward. You will have 10 minutes for your presentation. That will be followed by up to five minutes of questioning, and this rotation will go to the official opposition. Please state your name for the purposes of our Hansard recording, and you may begin.

Ms. Karen Belaire: Good morning. My name is Karen Belaire, and I am the chief operating officer of

clinical services for London Health Sciences Centre and St. Joseph's Health Care at London. Cliff Nordal, our CEO and president, could not be here, and he sends his regrets.

London Health Sciences Centre and St. Joseph's are two separate corporations governed by separate volunteer boards. They have formed a unique operating relationship that has created the most integrated hospital system in this province. At the same time, LHSC and St. Joseph's maintain their unique ethos and culture, and provide focused stewardship of their respective but complementary missions. This morning I will table some of the current challenges requiring concerted provincial attention.

For those of you who may not be familiar with London and its hospitals, let me start by telling you a little bit about them. London Health Sciences Centre has been in the forefront of medicine in Canada for 135 years and offers the broadest range of specialized clinical services in Ontario. As a leader in medical discovery and health research, London Health Sciences Centre has a history of over 30 international and national firsts, and attracts top clinicians and researchers from around the world. As a regional referral centre, London Health Sciences Centre cares for the most medically complex patients, including critically injured adults and children in southwestern Ontario and beyond. The hospital's 10,000 staff, physicians, students and volunteers provide care for more than one million patient visits a year.

St. Joseph's Health Care, London, is a major patient care, teaching and research centre with a distinguished legacy of service to London, southwestern Ontario and the veterans of Canada, dating back more than 130 years. St. Joseph's five key role areas include acute/ambulatory care, complex care and veterans' care, long-term care, rehabilitation and specialized geriatrics, and specialized mental health care.

Facilities and services, including St. Joseph's Hospital; Parkwood Hospital; Mount Hope Centre for Long Term Care; and Regional Mental Health Care, London and St. Thomas, are part of the St. Joseph's family. More than 400,000 patients annually receive care from close to 6,000 physicians and staff at St. Joseph's.

London Health Sciences Centre's next major milestone involves the completion of approximately 600,000 square feet of shelled-in space in the north tower at Victoria Hospital for new, state-of-the-art facilities, and approximately 100,000 square feet of renovations. We look forward to finally closing the doors of the aging South Street Hospital to all patient care.

At St. Joseph's, the transformation of St. Joseph's Hospital continues, with the second milestone of construction currently under way. We have recently completed renovation of some 81,000 square feet of existing space to accommodate a range of programs, including the Ivey Eye Institute.

The future specialized mental health care facilities are now engaged in Infrastructure Ontario's project process, with anticipated openings in 2013. These new facilities—

a forensic psychiatry hospital at the current location near St. Thomas and a facility for all other specialized programs in London adjacent to the Parkwood Hospital—were key to the overall aim of shifting from historical institutional models of care to best practice rehabilitation approaches.

As you can appreciate, these projects are the bricks and mortar of redevelopment as we strive to create a hospital system that best serves patients in our community, so today I want to bring your attention to the key issues facing our hospitals, specifically involving access to care and budget planning in the current economic climate.

At London Health Sciences Centre and St. Joseph's Health Care, London, we connect with people at very important and poignant times in their lives—birth, illness, trauma, recovery and death. People count on us to deliver high-quality and compassionate care. The single greatest impediment to access lies in the number of patients waiting for care in another part of our health care system. However, this is not a London-only problem. Access to care is a systemic issue.

At London Health Sciences Centre we continue to be challenged by the number of patients occupying acute care beds while waiting for an alternative level of care such as a nursing home or a rehabilitation centre. Almost daily we operate at an occupancy level that is above 100%. It is extremely unfortunate but not unusual for us to be treating patients in hallways rather than in rooms. We are grateful to patients and their families for consistently demonstrating tolerance, as this is clearly not the kind of care the people of Ontario expect or should accept when they need hospital services.

For St. Joseph's, backlog issues continue to lie in the lack of community supports and discharge options for patients. For example, those who have completed weeks of rehabilitation at Parkwood Hospital cannot find the home or housing support needed to successfully return to their communities. This also holds true for people with serious and persistent mental illnesses who no longer need hospitalization but do need community treatment and support, including housing and vocational opportunities.

To address this issue, our hospitals established the transitional care unit—TCU—at St. Joseph's Parkwood Hospital in November 2008. The TCU is for alternative level of care—ALC—patients who are in acute care at London Health Sciences or rehabilitation at St. Joseph's Parkwood Hospital and could receive more appropriate care in an alternate setting. These patients are provided with restorative care to promote independence and maximize their potential to be cared for in retirement homes, long-term-care homes, supportive housing or in their own homes with support from the South West community care access centre. The unit runs at an 95% occupancy, and to date over 200 patients have received restorative care at the TCU.

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As part of the South West LHIN's urgent priorities and aging-at-home initiative, the TCU received a funding

extension in September 2009. As of January 2010, we have not heard about further funding and are proceeding with an assumption that the TCU is fully funded until November of this year and partially funded until April 1, 2011.

Opening transitional beds is a good first step but does not fully alleviate the bed access issues in London and across the LHIN. We support the government's efforts to add long-term-care beds and other community supports; however, we also know that the full capacity to care for these patients outside the hospital setting does not yet exist. Indeed, the local CCAC has advised us that they will be implementing significant wait-lists for their services due to budget constraints. As you can see, in today's constrained fiscal environment, the issue of overall health system capacity is of particular concern. Uncertainty around funding levels only compounds our concerns and the ability to plan for future years.

The Vice-Chair (Mrs. Laura Albanese): You have about two minutes left.

Ms. Karen Belaire: As I said, people do count on us to deliver high quality and compassionate care, but they also expect us to be effective stewards of the resources entrusted to us by the taxpayers of Ontario. As you know, Ontario's hospitals are the most efficient in Canada. Given the level of collaboration between London Health Sciences and St. Joe's, we are able to generate substantial efficiencies through integrated leadership structure, group purchasing and shared administrative functions. Nevertheless, we are constantly comparing our actual costs to benchmarked efficiency levels. Our shared goal is to achieve the top core performance in all programs while upholding our quality, safety and academic responsibilities.

Over the last two years we have implemented significant budget reductions and efficiencies without affecting service volumes. Again, as part of our planning for 2010-11, we have conducted another exhaustive review of opportunities to save money in ways that will not directly impact patient care. We have identified approximately \$34 million in non-clinical savings which were approved for implementation by the board of directors. These strategies will impact staff and how we provide services; however, these initiatives, regardless of funding levels, must be implemented to ensure that our hospitals are operating as efficiently as possible when compared to others.

Despite our strong efforts to be as efficient as possible, we are acutely aware that operational costs could rise by more than 4% next year, and of course we have a legal requirement to balance our budget. Based on the worst-case funding assumption of 0%, the budget savings targets for the next fiscal year are \$32 million at LHSC and \$17 million at St. Joe's.

What do the numbers mean? To summarize, it means that we can achieve a majority of our savings through efficiency improvements, but additional savings will require us to reduce the volume of patient services we provide. Because the situation remains very fluid, it

would be irresponsible to speculate about the potential impacts of a given planning target on patient care, but clearly the obvious impacts would be closing beds and cancelling surgeries, which will create longer wait-lists and job loss.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation. I will now turn it to the official opposition. Mr. Shurman.

Mr. Peter Shurman: Why don't you take another minute and just finish that page, because you've got nothing left there.

Ms. Karen Belaire: Okay. We do understand that the financial and economic crisis facing Ontario is extraordinarily serious and that the government revenues have fallen dramatically. We also understand the impact that the current economic climate has on our patients and their lives. I believe, though, that we share the same vital objective: to avoid actions that will significantly destabilize access to patient services. Therefore, it is critical that the 2010 funding targets be released as soon as possible.

In closing, there are significant stressors on our system that require ongoing provincial leadership in collaboration with providers. We need: continued support of our restructuring efforts; continued investment in home, community and hospital alternative levels of care; and confirmation of our hospital base funding as soon as possible. Thank you.

Mr. Peter Shurman: Thank you very much. A good presentation. As a matter of fact, I should congratulate you before I ask you anything because your reputation goes well outside of London. I have a constituency north of Toronto, and you're considered top in your field, so good for you on that.

However, listening to your presentation, you've identified needs, and they obviously have a price tag. Now we're hearing about cutbacks. At best, we're hearing about no increases, and I know you've heard the same things as we have and experienced them. Health costs—and we've heard this already from a number of groups—are at a point where, how much more can you get? It becomes blood out of a stone. What's your opinion on where this has to come from, going forward?

Ms. Karen Belaire: Every poll that I have seen tells me that Canadians value their health care. In fact, it's always within the top three of their priorities. They value it so much that the recent poll said they would be willing to do some of their own investing in research to support health care innovation. So we need to take a good look at that. We cannot move to a system that underfunds health care and leaves people going to the US for care. We currently know that a large number of Ontario residents need to go out of the country to receive care, and those dollars are much higher than they would be if those services would be provided here in Ontario. So that's the first area we could look at to save some money.

Mr. Peter Shurman: Okay. Interestingly—and you were in the room for the presentation of the London Chamber of Commerce, and you heard the same thing that I heard—one of the recommendations was that there

have to be more creative approaches to health care delivery by looking at a piece of the private sector. What's your reaction to that?

Ms. Karen Belaire: On a personal level, I would agree with that. I think there is a way to partner with the private sector to provide health care services.

Mr. Peter Shurman: Give me an example.

Ms. Karen Belaire: Many outpatient services that we currently provide could be provided in private sector outpatient clinics.

Mr. Peter Shurman: Repetitive procedures, like joint replacement—would that qualify?

Ms. Karen Belaire: Some repetitive procedures like joint replacement could be in that setting but, most importantly, what we might find then is that the most complex cases would remain in the publicly funded system. Because the publicly funded system is responsible for teaching academics and research, we need to ensure that doesn't happen. We need to keep a full range of services within the public system available.

Mr. Peter Shurman: This is the last question from me. In the final part of your presentation you identified a program that you had undergone, I guess, two fiscal years ago, where you identified the possibility of savings and came up with a significant sum of money, and you've done it again. Will this sustain the level of delivery of services that you've had, say, in the past year, or are you going to fall backwards if there's no additional money forthcoming from Queen's Park?

Ms. Karen Belaire: I identified the savings targets for this year at \$32 million for London Health Sciences and \$17 million for St. Joe's. Eighty per cent of those targets have been met without impacting services, through efficiencies etc.—new revenue generation, cost-saving strategies, asking our vendors to reduce the cost of supplies to us. But roughly 20% of that target now has to be found in service changes.

Mr. Peter Shurman: Thank you very much.

The Vice-Chair (Mrs. Laura Albanese): Thank you for presenting this morning before the committee.

UNIVERSITY STUDENTS' COUNCIL,
UNIVERSITY OF WESTERN ONTARIO

The Vice-Chair (Mrs. Laura Albanese): I will now call on the University Students' Council at the University of Western Ontario. Good morning. You will have 10 minutes for your presentation, which will be followed by five minutes of questioning by the NDP on this rotation. Please identify yourself before you begin for the purposes of our recording Hansard. Thank you.

Mr. Dan Moulton: Good morning, everyone. My name is Dan Moulton. I'm the vice-president of university affairs at the University Students' Council here at the University of Western Ontario in London. I have some remarks prepared, and I'll go through those for the remainder of my presentation time. Afterwards, I'd be excited to hear some questions.

Ontario is knee-deep in a recession, the likes of which we haven't seen in decades. Those caught in the crossfire include auto workers, electricians, teachers and students. As more and more Ontarians grow uncertain about their future, the citizens of this province continue to look to their leaders for swift and decisive action.

As students here at the University of Western Ontario and across the province, we look to the billions of dollars injected by our local universities into understanding that post-secondary institutions must continue to be at the heart of economic renewal. Every new job created at a university, every funding dollar invested in quality enhancement and every grant and loan issued by the government to a student is a direct investment not only in our universities, but in the diverse communities that they serve.

Universities support local businesses, local innovation and, most importantly, local citizens. Simply put, investing in Ontario's universities makes great economic sense.

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The report that I've distributed before you today, compiled by our provincial advocacy alliance and supported by our students' council here at Western, focuses on three main areas important to post-secondary education for Ontario's economy: participation, quality of university and local economic impact.

On participation, we focus on the individual benefits to society and to our economy that a higher-education credential provides as well as the importance of increasing participation rates if we're going to be a global competitor in the future knowledge economy. We know that 70% of all future jobs will require some form of post-secondary education. To meet this challenge, the Ontario government must take leadership in removing barriers to participation in post-secondary education.

Ontario's Institute for Competitiveness and Prosperity highlights the pressing issue of supporting systemically disadvantaged groups in attending post-secondary education. They write, "Our research into inequality and poverty indicates yet again the importance of education, not only for Ontario's competitiveness and prosperity overall, but also as a way to assist the disadvantaged move into the economic mainstream." This has led students to call on their government to invest in and develop a comprehensive early outreach strategy with enrolment targets for disadvantaged groups.

Here at Western, through the University Students' Council, we organize an early outreach conference which brings local grade eight students from the Thames Valley District School Board to our campus. These students, predominantly from backgrounds traditionally under-represented at university, have the chance to learn, experience university life and grow through peer mentorship, team-based experiential learning and activities to build self-confidence. Early outreach models like these support young people in understanding the positive benefits of post-secondary education and provide them with broader horizons for the possibilities of their future.

We must see programs like these in communities across Ontario if we hope to overcome socio-economic and informational barriers to access in post-secondary education.

Further on the topic of participation, students must see expanded investment in Ontario's student financial assistance programs to ensure that Ontario has Canada's most accessible university system. As students, we stand firm in our belief that it is time to once and for all modernize Ontario's financial assistance programs. This will require reforms to the Ontario student assistance program—OSAP—which will bring the program in line with the realities faced by students in the 21st century.

For example, it is no longer reasonable to expect that each Ontario student's parents will fully support them in the pursuit of their education, nor is it reasonable to expect that OSAP maximum loans have remained static for the past several years, responding in no way to the larger economic picture faced by students every day. Most troubling of all are arbitrary restrictions within the program on the earnings of students. For example, OSAP currently restricts students from earning more than \$50 per week and claws back everything over and above this amount at the end of the economic year. These are just a few of the problems facing the thousands of students here at Western and across the province making use of this program. The time is now for this government to modernize and invest in this program.

The section in the report in front of you dealing with quality enhancement focuses clearly on raising Ontario's student-to-faculty ratios to meet national and international competitor averages. Without a doubt, more and better-prepared teachers will mean smarter and more employable students and graduates to help this province prosper.

A recent report from the Ontario Confederation of University Faculty Associations points out that Ontario is falling behind in its hiring of full-time faculty. According to OCUFA, a target set five years ago by Bob Rae during his review of higher education suggested hiring 2,000 new faculty a year over the last five years. Unfortunately, this turned into only 450 a year. This will not allow us to continue providing the world-class educational experience Ontario's institutions have prided themselves on.

But quality extends beyond the number of faculty at the academy or students that depart with a degree. We must see measurable improvements in the students and educational experience at our universities. The quality of our degrees will be Ontario's competitive advantage.

Lastly, the report before you outlines the ways in which Ontario's universities contribute to their local economies which they serve. Whether it's wages paid to staff that are then spent in university towns, purchases made for goods and services by the universities themselves or the local research partnerships and the future innovation that are cultivated at the local level, universities truly are an economic engine, powering communities across the province. It is important that this government recognizes that investments in post-

secondary education are, in fact, a powerful form of stimulus that can immediately have an impact on local communities and their economies.

With an eye on the future of the province, if Ontario wants to truly compete in the knowledge economy of today and prosper in the creative economy of tomorrow, then it must have the most affordable and accessible universities of the highest quality in the world. If Ontario hopes to eradicate poverty in my lifetime, then having an affordable and accessible education system is of the utmost importance. Truly, a diploma or a degree is, in its simplest form, the first step out of poverty.

Five years ago, the current government started us on a path towards real improvement of post-secondary education through the Reaching Higher plan. We've seen measurable improvements in our education system through this investment, but the time is now to reinvest in our universities that help this province to prosper and to grow.

Thank you very much.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation. I will now ask Mr. Prue to begin the questioning.

Mr. Michael Prue: My first question, and you very briefly touched on it, is about student debt. I'm very worried about student debt at the end of university. I've been told that, depending on what you're graduating from, \$60,000, \$70,000, or \$80,000 is not unheard of. That's probably more money than a person would earn in a year, even if they ended up getting a great job right out of university. Is that dissuading people from going to university?

Mr. Dan Moulton: There are a lot of barriers to accessing post-secondary education, and I think the financial barriers involve not only the upfront costs of education through tuition and ancillary fees, but also the amount of debt the student will assume after achieving their degree. The average debt for a student in Ontario is around \$26,000, and that's just the average debt. Of course, numbers like \$50,000 or \$60,000 aren't unheard of at all, especially in the professional degree programs. I think those are the sorts of issues that we need to address through programs like OSAP and the Ontario student opportunities grant.

One of the most concerning things for us right now as students is the idea that this grant, the Ontario student opportunities grant, which caps our debt at \$7,000 annually through the OSAP program, could be in jeopardy. It's an expensive program and we're understanding of that, but it's also an incredibly supportive program and it's probably one of the most effective programs in terms of supporting our students in managing the debt crisis, as we would call it.

So I think programs like that, which cap debt, are really the important ways for us to invest here, to ensure that students are able to continue to access their post-secondary education and aren't crippled by debt following the conclusion of that education.

Mr. Michael Prue: Students in the past have talked about repayment of the debt. Right now, interest is right

away, but you don't have to make a first payment for six months. Some are suggesting it should be a year or two years in order to let students get their jobs and try to get some money and get on with it. Do you think the government should be extending the timeline in which you start repaying the debt?

Mr. Dan Moulton: Of course, yes. One of the recommendations we made to the ministry, as it looks at the OSAP program, is to see a full-year interest-free grace period. Right now it's a six-month grace period, but it's not interest-free. So while in your time in education you don't accrue interest on your loan, you do over that six-month period. We see that grace period as incredibly important for students' ability, once they finish their degree, to establish themselves. It's likely they're going to be moving away from the university town they are located in, trying to find a job somewhere. That first year is going to be incredibly important in ensuring that that student gets their feet settled on the ground and is able to take off running, in terms of participating in Ontario's economy and living a healthy life.

So we are concerned about that, and we're certainly drawing attention to those problems. We're asking that there be a full-year interest-free grace period instead of the six-month grace period. That was a promise that was made by the current government in the last election, and we're still waiting to see that implemented.

Mr. Michael Prue: You talked a bit about kids, grade 8 students, from poorer backgrounds being encouraged. Is there more we can do? I do know that, sadly, even today, the number of children who live in poverty and who actually go on to higher education is very much lower than the standard. What else can we do?

Mr. Dan Moulton: As I said during the presentation, we're actively advocating for more early outreach programs across Ontario which go into communities, such as the Pathways program in the Regent Park area, and talk to these students about the importance of post-secondary education, the opportunities that are before them, and the positive outcomes that come with a post-secondary education.

We know from research from the Canada Millennium Scholarship Foundation that students are making these decisions earlier and earlier in their life and making the decision of whether or not they're going to be going on to post-secondary education. So it's important that we have those programs that are reaching out to those students at a younger age, through our elementary and secondary school programs, educating these students about the advantages of post-secondary education and helping them understand the opportunities that are before them. That's certainly a large part of it, to support those students.

But we also need more grants for students from low-income backgrounds, grants that are targeted towards students who need funding the most—non-repayable grants, of course, that are going to support those students in getting in the door in the first place. That's something that we've been advocating for.

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Right now, Ontario invests around \$300 million annually in tax credits for students through the education system. These have been, in the past, designed for access purposes. We know the tax credits aren't serving any students in terms of those who are challenged with access issues. So we're advocating that those funding dollars being put through tax credits be moved towards upfront grants for students who need that funding the most.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation.

COMMUNITY LIVING ESSEX COUNTY

COMMUNITY LIVING WINDSOR

The Vice-Chair (Mrs. Laura Albanese): Now we call on Community Living Essex County and Community Living Windsor to come forward. Good morning. You will have 10 minutes for your presentation. That will be followed by up to five minutes of questioning. This time the rotation will go to the government side. Please identify yourself for the purposes of our recording Hansard, and you may begin.

Mr. Xavier Noordermeer: Good morning, everyone. My name is Xavier Noordermeer, and I'm the executive director of Community Living Windsor. I'm joined by my colleague Karen Charette from Community Living Essex County.

We bring you greetings from Windsor and Essex county and thank you for the opportunity to appear in front of you today. We're very appreciative of that. Community Living Essex County and Community Living Windsor have chosen to jointly present to you today our recommendations, which we believe demonstrates our collective commitment to the people we support, the collaborative nature of our work and the positive use of time and resources.

Our agencies together support over 1,000 people of all ages who have an intellectual disability, all of whom live in Windsor and Essex county. We are funded by the Ministry of Community and Social Services. We support people as they develop the capacity to live, to learn, to work and to participate in all aspects of life in the community. The services and supports that we provide include: supported living, day supports, employment supports, supported independent living, family supports and special services at home.

In addition to those families and people we support, our agencies collectively employ over 900 people. We believe our employees are amongst the very best and most dedicated in the province of Ontario. The work they do is extremely important to the well-being of the people we support and their families. We believe that the people we support are some of the most vulnerable in our society.

A significant promise by government of new legislation governing our sector was realized in October 2008 when the Services and Supports to Promote the Social

Inclusion of Persons with Developmental Disabilities Act, 2008, received royal assent. We refer to it as the social inclusion act. Our agencies advocated for change, and we welcome this act. We've been actively participating in the public consultations.

Our comments today will focus on four areas that we believe are vital to both the success of the transformation agenda for developmental services in Ontario and to the overall sustainment of the supports in place for over 1,000 people in Windsor and Essex county.

Our first area, we like to call "additional cutbacks are unsustainable." The Ministry of Community and Social Services introduced an increasing community capacity initiative in October 2008. This initiative required all regions to increase their capacity to support people without new funds being provided, which was equivalent to about 2% of our resources. While this initiative has resulted in some new services for people on waiting lists, it has also reduced the flexibility and capacity that we as agencies have to respond to many community demands that were placed on us.

The developmental services sector has been chronically and historically underfunded. The demand for service has always exceeded the funding, and as a result we have always provided unfunded supports to people in need and in crisis. This sector has, through necessity, become a master of doing more with less. The needs of the people we support and their families are our priority. Our administrative structures operate with minimal funds—less than 8% of our total budgets. We believe our sector to be the most fiscally responsible and lean that there is.

In 2007, the province announced a four-year funding commitment to developmental services. This commitment for years one through three has been honoured. When dedicated multi-year funding was announced, it was an opportunity for the first time for our sector to be able to financially plan beyond the current provincial year. Agencies have made fiscally responsible decisions and commitments based on this promise, including wage increases negotiated with our unionized workforces.

Our first message today is that there is no room for further reductions. This includes any consideration of across-the-board reduction in funding for transfer payment agencies. The quality of supports that we provide in Windsor and Essex county will be put at risk. The developmental services sector is historically underfunded and any further reduction will seriously jeopardize our ability to provide continued quality supports. We are asking that providers in the developmental services sector be assured that government will follow through on the 2007 budget commitment, and will receive a 2% increase to base budgets in the 2010 budget.

Our second point has to do with transformation. We applaud the government's decision to undertake the transformation of the developmental services sector, and currently the regulations which implement the social inclusion act are being established. We share government's goal of ensuring that transformation in Ontario for

people who have a developmental disability will result in high-quality service that is equitable, flexible and sustainable. We are becoming increasingly concerned regarding the apparent decision by the Ministry of Community and Social Services to proceed with the transformation agenda without assigning additional funding for new government initiatives and requirements. Our recent experience with the ministry through the facilities closure initiative adds to our concern. In the fall of 2008 we were advised of a \$2.2-million deficit in the southwest region due to the closure. An accounting of how this deficit occurred has never been provided, yet our region was required to absorb the shortfall.

In addition, the social inclusion act provides for application and funding entities to be established in each of the nine regions of the province. To date, we have been told that these new entities will be funded out of existing resources. Quite simply, the existing system cannot bear the cost of the development and ongoing operation of these entities, and therefore we recommend the government appropriately fund both the establishment and ongoing operations of both the application and funding entities.

Ms. Karen Charette: Our third point is the waiting lists and changing needs of the people we support. The social inclusion act speaks to establishing waiting lists. We're concerned that this acknowledges that there will be continued inadequate funds to support the people who desperately require the services and supports. Changing demographics and our current experience clearly identify the growing number of adults requiring support in our community and the number of families who are aging and struggling to continue to support their family member at home. Many families waiting for help receive it only in the most urgent of situations or have to wait for the death of someone currently receiving supports and services.

People who have an intellectual disability are anxious to take part in society as full participating citizens. Ensuring such inclusion demands that adequate levels of government-funded supports and services are available for individuals and families as they pursue meaningful and productive lives.

Some of the current service challenges in our sectors include: accommodation supports are unavailable to individuals with significant challenges whose parents have become too old to care for them; individuals with extremely high needs must wait years for support funding and day or accommodation supports, placing ongoing stress on families and caregivers; across the province, people are in temporary arrangements awaiting appropriate accommodation, while many more families and their adult family member are without day programs or supports at all; the increased support needs of individuals as their health deteriorates or as they age.

Throughout Windsor and Essex county, at least 427 identified adults and their families are on a waiting list for supports and services. This number rises greatly, as there are many others who require help but have not, for

a variety of reasons, completed the necessary paperwork to be added to the waiting list.

The Windsor-Essex county region also suffers from increased pressures as ground zero for the recent economic downturn. Many families have found it increasingly difficult to support their family member with a disability and have sought additional supports up to and including 24-hour accommodation supports, particularly for those people whose needs are most challenging. We're recommending that the government invest new funds to reduce waiting lists and to assist people whose support needs are changing.

Our last point is regarding the Ontario disability support program. The pending review of the social assistance program in Ontario is long overdue. Our agencies support this initiative and look forward to participating in the process. This, together with the provincial poverty strategy, is hopeful indications that the poverty which most individuals who have an intellectual disability live within can be eradicated.

We recommend that ODSP benefits need to provide for the real cost of living. Rates should reflect average market rents. For example, the average single person living on their own receives \$796 ODSP monthly and of that, the maximum rent allowance is \$464, which leaves very little for food and basic needs such as transportation and utilities. The rates should also be adjusted annually for inflation.

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Secondly, improvements to ODSP benefits should be accompanied by a continued focus on employment opportunities for people with disabilities. The current affordable housing strategies, particularly the Canada-Ontario affordable housing program, are very important and effective methods to help ODSP recipients live in affordable, accessible rental accommodations, and these strategies should be expanded in the 2010 budget.

Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for the presentation. I will now turn to Maria Van Bommel for questions.

Mrs. Maria Van Bommel: Thank you very much not only for presenting to us today, but also for the work that you do.

I'm just going to go to the end of your presentation, because it's the most recent we talk about, and that is the Ontario disability support program, and you talk about average rents and that sort of thing. Can you tell me what the impact is on people who live in rural communities in terms of the ODSP? Is there a differential between their costs compared to someone who lives in town?

Mr. Xavier Noordermeer: Absolutely. The increased challenge that people in rural communities have is transportation, and it is so difficult. Whether it is for medical appointments or just to take part in activities that you and I take for granted in our community, for them to get there is extremely difficult. Transportation is a huge issue for people who live in rural areas, and there is no additional allowance for that for them.

Mrs. Maria Van Bommel: Do you think that's what should be happening when we do calculations for ODSP? You talk about food and you talk about housing costs, but should transportation costs be included, especially for people who don't have access to alternative methods of transportation?

Mr. Xavier Noordermeer: Absolutely, because it's a way for them to connect to their community, for sure.

Mrs. Maria Van Bommel: I also wanted to just go back to your comments about the southwest centre, the regional centre. With the closing of the centre at Charing Cross, and you talk about the shortfalls on the deficit for that centre—

Mr. Xavier Noordermeer: Correct.

Mrs. Maria Van Bommel: How many of the residents or the clients who lived at the regional centre at Charing Cross actually remained in the Windsor-Essex-Chatham-Kent area?

Mr. Xavier Noordermeer: In the last round of the closure initiative, approximately 90 people moved to just Windsor and Essex county. I can't speak for Chatham-Kent or Sarnia, but I know that approximately 90 people ended up being supported by our two organizations.

Mrs. Maria Van Bommel: Out of how many residents who were there at the time?

Mr. Xavier Noordermeer: At the time, there were 297 who were left. So approximately a third of the people.

Mrs. Maria Van Bommel: The people who stayed within that area: Is that because their families were there, or is that simply because it was a comfort area for them?

Mr. Xavier Noordermeer: I think primarily it was because their families were originally from—

Mrs. Maria Van Bommel: From the area.

Mr. Xavier Noordermeer: From the Windsor-Essex area. Again, I can't speak to Chatham-Kent and Sarnia-Lambton, but our two areas had approximately a third of the people.

Mrs. Maria Van Bommel: So, out of the monies that we talk about in terms of that deficit, at least one third of that cost has still remained with you in order to help those clients.

Mr. Xavier Noordermeer: Those are costs being absorbed by the southwest region that the ministry has to find somewhere, and typically that ends up having to come out of agencies like ours.

Mrs. Maria Van Bommel: Okay. Thank you. I think my colleague would like—

The Vice-Chair (Mrs. Laura Albanese): Mr. Ramal, two minutes.

Mr. Khalil Ramal: Thank you very much for your presentation. You know, I am biased toward Community Living because I worked for Community Living London for many years and I also worked with people with intellectual and physical disabilities.

We had the biggest investment in the history of this province in this sector. Also, we did many different pieces of legislation, especially for social inclusion, and the individualized funding. So can you tell me how this is

positively affecting your organizations in regard to saving and also to do with people with intellectual and physical disabilities?

Mr. Xavier Noordermeer: Can you—

Mr. Khalil Ramal: I'm talking about the new legislation.

Mr. Xavier Noordermeer: How it will impact people?

Mr. Khalil Ramal: Positively, yes.

Mr. Xavier Noordermeer: I think one of the most important considerations is the fact that we'll now have provincial application forms. I think the government will now have a much better idea of how many people there are in the province of Ontario who are in need of supports and services. That information has been really difficult to roll up prior to this, but we'll now have provincial application forms and provincial data that will be available to us.

Mr. Khalil Ramal: There were some questions about the ability of the government, the ability of the community to benefit from that system. How do you find it? Easy to access, or difficult to access, and how—

Mr. Xavier Noordermeer: The application entities have not emerged yet. That process is currently under way, so the act calls for the establishment of application entities in each of the regions of the province. So we're just in the process of determining what that will look like, certainly in the southwest, but in other areas. We're not really sure what the impact will be. I think there are approximately 10,000 people across the province of Ontario who are still waiting for supports and services, and in our area we know of families in their 80s and even their 90s that still support sons and daughters at home. I can't think of anything worse than going to my grave not knowing whether or not there will be somebody there to support my son or daughter. It's horrible.

So, in just Windsor and Essex, adults only: 427 people waiting for supports.

The Vice-Chair (Mrs. Laura Albanese): Thank you. Sorry, the time has expired. Thank you very much for your presentation.

FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

The Vice-Chair (Mrs. Laura Albanese): Now I call on the Fanshawe College of Applied Arts and Technology. You will be allowed 10 minutes for your presentation, and that will be followed by five minutes of questions from committee members from the opposition party. Please identify yourself for the purposes of Hansard, and then you may begin.

Mr. Jamie Mackay: Thank you. Good morning. My name is Jamie Mackay, and I am the vice-president, external relations, for Fanshawe College, which is based here in London but also has campuses in Woodstock, St. Thomas and Simcoe, and smaller operations in downtown London and in Tillsonburg.

Thank you for the opportunity to appear before you today for the 2010 pre-budget consultations. My presentation will focus on four main issues: the college vision for higher education, the labour market challenge, strategic investments to preserve quality and strengthen the economy, and applied research and innovation.

Fanshawe has 15,000 full-time students and 35,000 part-time registrants each year. As I noted above, we have four campuses serving southwestern Ontario, with over 110 post-secondary certificate, diploma, degree and apprenticeship programs and 15 graduate certificate programs. Over 80% of our graduates live and work in southwestern Ontario.

A 2004 study—the latest for which we have numbers—conducted for the colleges by CCbenefits Inc., outlined the contributions each college makes to its community. It might interest you to know that the study showed that the rate of return on investment by Ontario taxpayers in Fanshawe was calculated to be 15%. That return comes in the form of increased tax revenues as graduates earn higher salaries and, consequently, pay more in taxes.

The federal and provincial governments are to be commended for the stimulus investments in their last budgets. The investment in college infrastructure has had a direct and positive impact on our students and it has stimulated job growth. Fanshawe, for example, received over \$31 million towards our new centre for applied transportation technologies. The new 148,000-square-foot centre will be created from a repurposed building into a state-of-the-art facility which will have 16 classrooms, 13 labs, and seven shops, equipped to simulate real-world scenarios in trades and technologies that support the transportation industry. The centre will accommodate 1,500 full-time students and will feature a range of environmental construction techniques, including a green roof system over the shop areas and solar hot water heating.

We are living in a new world, one that demands higher levels of expertise and skills. Let me cite a few facts: Currently, 33% of Ontario's six-million-member workforce have a college qualification. This represents 2.1 million workers. A recent survey by the Canadian Federation of Independent Business found that businesses facing labour shortages will need six times as many college graduates as university graduates. The most recent forecast by Ontario Job Futures indicates that only 8% of new jobs to be created in Ontario could be filled by people with a high school education. All other positions will require at least some post-secondary education or training.

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The province has an opportunity to implement meaningful and transformational changes that exploit the potential for growth in the new economy and drive Ontario's prosperity to unprecedented levels. Colleges have formulated a vision for higher education that will strengthen Ontario's competitive advantage. Our vision will result in increased mobility through credit transfer,

better access by increasing participation and attainment rates, improved retention rates, and better alignment of post-secondary education and applied research with the needs of the transforming economy. These outcomes are achievable but they require bold, forward-thinking action.

Credit transfer: I'd like to speak about its importance to our vision for higher education. I'm sure you have heard from students and parents in your local communities that there is a real concern that students are forced to repeat courses they have already completed because there is no robust credit transfer/credit recognition system in Ontario. This extends the time they must spend in school. Unlike other provinces, Ontario doesn't have a way of having students move seamlessly from college to university or vice versa. This is putting a financial strain on students, their parents and the system, and in some cases delays the entry of those students into the labour market. We believe that with a robust credit transfer system, Ontario will improve access to post-secondary education for students.

In our community, like others across the province, we are facing a serious labour market challenge. A significant portion of Ontario's skilled workforce—and I'm not just referring to skilled trades; this impacts many sectors—are over the age of 50. Although the recent economic downturn means that some will postpone retirement plans and continue to work, experts agree that there will be significant shortages in such fields as health care, IT, high technology and, of course, skilled trades.

While we have seen some hopeful signs of recovery in our region—established businesses are hiring again; new businesses are being established—however, economists generally acknowledge that job creation lags behind an economic recovery, and much more needs to be done to lower our unacceptably high unemployment rate.

Many of the unemployed cannot move into employment because they do not have the skills required by the emerging knowledge economy. An aging population and an emerging knowledge economy threaten Ontario's prosperity. If we do not act now to increase the proportion of skilled labour in our economy, a large number of our employees will not be able to compete internationally. As a province, we need to look at this situation as an opportunity to invest in our future. We believe colleges, because of our close historic ties to business in our local communities, are the key to local economic development and growth.

We recognize that the government will have some tough choices in this budget. During these tough economic times, it is critical that the government remain focused on investing in the education and skills of people as the long-term solution to many of the challenges we face. College graduates are in great demand because colleges train in the practical skills they need for the jobs of the new economy. Our graduates are job-ready.

At Fanshawe, enrolment was up 10.8% this past September, and applications for next year are up 10%. We are seeing more people choosing colleges to get the necessary training they need for the changing economy.

Our main concern, however, is that funding has not kept pace with increased enrolment. I do want to acknowledge that in last year's budget, growth was covered by end-of-year, one-time money, but that is not in our base budgets. This is not sustainable because we are not able to plan or manage our programs effectively.

Studies show that college students come from all socio-economic backgrounds, particularly under-represented groups—aboriginals, the disabled, first-generation, women, immigrants—who tend to need additional supports to succeed. Ontario's colleges are requesting \$163 million in additional operating support for the 2010-11 fiscal year just to address enrolment pressures and allow us to continue to provide quality programs.

I'd like to spend some time talking about applied research, another area where the colleges are adding value in helping businesses, especially small and medium-sized enterprises, with innovation, applied research, and development.

At Fanshawe, we continue to increase our research and innovation activity, both in terms of applied research related to employer and community support, and our own work related to teaching, learning, student retention and student services. We are continuing to develop areas of focus which include sustainable energy and environment; media, including digital media; business and entrepreneurship; and interprofessional education in the health sciences.

We are delighted to report that we were awarded our first federal college and community innovation program research grant, which will enable us to significantly increase the capacity of our emerging centre for sustainable energy and environments, which is anchored in both our school of applied science and technology and our school of design. The CSEE is supported by a \$2.3-million grant from the federal government, plus \$1.8 million in cash and in-kind contributions from our private sector partners.

The Vice-Chair (Mrs. Laura Albanese): You have about 30 seconds left.

Mr. Jamie Mackay: Well, I'm grateful for the opportunity to make the presentation. If you've got any questions, I'd be glad to address them.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. You may go ahead.

Mr. Ted Arnott: Thank you very much, Madam Chair. Good morning, Mr. Mackay. Thank you very much for your presentation; it was excellent. I think you're well aware that Fanshawe College is well respected and appreciated around the province for the outstanding programs that you offer students.

You laid out your presentation in a very straightforward way. You talked about the vision, you talked about the labour market challenges that you foresee, the need for additional investments, and you wanted to talk about applied research and innovation. Do you want to briefly give us the ideas that you had hoped to present on that last subject?

Mr. Jamie Mackay: On the applied research and innovation, the advantages the colleges have are that it's a very practical kind of innovation that we're involved in. We've got some work that we're doing with solar and wind research which we think will tie immediately to the province's agenda and help some of the businesses that are in that area bring products to market. That's really, I think, where colleges can be quite effective.

Mr. Ted Arnott: Across the province, we've heard concerns about the Second Career strategy. Of course, the government would have us believe that this program is intended to provide financial assistance for laid-off workers to undertake longer-term training. Certainly in Waterloo region, we experienced a significant number of people who had thought they had been enrolled in the program and then were told that they were not. Obviously, they were extremely disappointed, and there was an insufficient response from the Ministry of Training, Colleges and Universities to help. Has it affected Fanshawe and the community of London?

Mr. Jamie Mackay: Fanshawe was very active in providing Second Career opportunities. We had very high enrolments, not just at our London campus but at the regional campuses as well. Certainly we were disappointed, because we had a number of students, obviously, who were caught in a situation where they couldn't continue their training. We've been working with the ministry to make sure the newly developed program can accommodate these individuals, or are looking for other options for them.

Mr. Ted Arnott: These were students that actually had commenced their training and had to stop in the middle of it, or at some point.

Mr. Jamie Mackay: Well, they believed they were enrolled in the program and then were told that, no, they didn't qualify.

Mr. Ted Arnott: From our perspective, the government should have found a solution to that problem so as to ensure that all of those students would be able to carry on with the training they need so that they can become more marketable in the job market and obtain work.

Now, you mentioned as well that there's a need for an improved credit transfer system, some sort of mechanism that would allow for the transferability of credits so that students weren't forced to take basically the same credit over again that they had already taken at a community college. Which province does that well? You mentioned that other provinces do it well. Which does it the best?

Mr. Jamie Mackay: British Columbia has a very long-established program where you can do two years at a local college and then move on to a university and complete your degree there. In some cases now, they've been extending that degree-granting power to the colleges so they can do their entire degree there. But they have a credit transfer agency, and they've been at this for a long time. I certainly think there would be some lessons for Ontario in what they're doing in British Columbia.

Mr. Ted Arnott: So there's an existing model in Canada that we could look at in some degree?

Mr. Jamie Mackay: That's exactly right.

Mr. Ted Arnott: What are the obstacles in terms of Ontario adopting this practice? Why is it not happening here?

Mr. Jamie Mackay: The fact that we've historically had a two-stream system where you're bound for college or you're bound for university—there are some joint programs and there are some credit transfer arrangements in place, but we don't have the tradition, whereas BC developed more of a tradition historically in that regard.

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And frankly, some of our universities don't need any more students. They're full up. They have plenty of secondary school applicants and others returning. Others have been more interested in facilitating arrangements.

The Vice-Chair (Mrs. Laura Albanese): About one minute left, Mr. Arnott.

Mr. Ted Arnott: You indicated, sir, that your enrolment was up 10% last year, and anticipated enrolment increased 10% this year, and that across the board, community colleges would need \$163 million this year just to keep up with the anticipated enrolment demands and maintain quality programming.

Mr. Jamie Mackay: That's right.

Mr. Ted Arnott: How much money does Fanshawe need to accommodate another 10% after last year's significant—

Mr. Jamie Mackay: No, finding spaces for them, of course, will be the challenge, but that's the kind of challenge we like to have. I think \$3 million or \$4 million out of that total amount would be my estimate of what we would need.

Mr. Ted Arnott: Thank you very much. I appreciate it.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation this morning.

Mr. Jamie Mackay: Thank you.

UNIVERSITY OF WESTERN ONTARIO

The Vice-Chair (Mrs. Laura Albanese): We now call the University of Western Ontario to come forward. You will have 10 minutes for your presentation, followed by five minutes of questions. We are in our rotation and it will be the NDP's turn to question you. Please state your name for the purposes of our recording Hansard, and you may begin.

Mr. Marty England: Thank you, Madam Chair. I'm Marty England. I'm the senior policy adviser to the president. I'm joined by my colleague.

Mr. Rob Esselment: Rob Esselment, the director of government relations.

Mr. Marty England: Madam Chair, we thought we'd divide our presentation into two parts. I'd like to spend just a moment to talk about the overall situation at Western. I'm then going to turn to my friend Rob to talk about initiatives that have been undertaken at Western in regional economic development.

This year we're coming to the end of the five-year Reaching Higher plan announced in the 2005 budget. From the perspective of Western, we want to begin by expressing our gratitude for those investments, and I'd like to just cite a few examples of the difference it made to us.

First of all, the enrolment increases that we've experienced at the master's and Ph.D. levels have been tremendous. They've helped us fulfill our long-term strategic vision. We hope that that will continue in future.

The graduation rates at Western have been increasing, and they're very high. They're in fact much higher than they are at peer universities in the United States. Over 90% of our students, for example, persist after their first year of study.

A growing proportion of our students are graduating debt-free; about 40% of our students are now graduating debt-free. This is due to increased investment in the Ontario student assistance program that we've witnessed, as well as our own investments at Western in student aid.

OSAP default rates have fallen to just over 3%. They were 10% a decade ago. Very few of our students are now defaulting on their loans.

Student surveys that we've conducted as part of our contract with the government under the Reaching Higher plan indicate significant improvements in the student experience. We administered those surveys in 2004, 2006 and 2008.

Finally, the student-faculty ratio at Western is gradually improving. It's the first improvement we've seen in 15 years.

Those are just proof points and the examples that I would give of the real difference that the Reaching Higher investments made for us and for our students.

We are, however, acutely aware of the economic circumstances of the province. In light of that, we've taken very great care to put our own financial house in order. We've reduced our operating budgets by 4.5% in the past year, we've reduced our spending from endowments and we've deferred some capital projects. We're going to produce a balanced budget without any structural deficits.

Now, that's not a plea for more resources. That's simply to let you know that we're prudent financial managers and we recognize that we should be and have to be, in current economic circumstances.

What would we like to see in a successor plan to Reaching Higher, bearing in mind the constraints upon the government's finances? First and foremost, we'd like to see some form of annual indexation on our operating grants, let's say comparable to primary and elementary education—just a level playing field for the education sector.

Secondly, we don't want to put forward a specific proposal on tuition fees; that's the most difficult political decision that any government has to make in our sector. Rather, whatever decision is taken should strike an appropriate balance between the public and the private investment so that students not bear the entire burden of

quality improvement or sustaining quality but that there be a fair balance. It's beyond my purview to determine what that appropriate balance should be; that's in your hands.

We'd like to see sustained investment in the student aid programs. As I mentioned at the beginning, they've made a difference to our students. It's a tremendously accessible system that we have in Ontario. We've succeeded in removing many financial barriers, and we would urge you to continue to invest.

We do need sustained investment in our infrastructure. The recent knowledge infrastructure program, jointly funded by the federal and the provincial governments, was a very welcome infusion. We have to take a look at the longer term, and we're currently engaged with the provincial government. They've conducted a survey of our needs for capital funding.

Finally, the Premier has expressed a long-term vision that would have 70% of the Ontario populace attain some form of post-secondary education. Of course, we fully support that objective, but in attaining that objective, government is faced with a difficult question of quantity versus quality. At the point when the government is willing to come forward with an expression of its willingness to fund increased enrolment, Western and the other universities in the province will step forward and work in partnership with the government on that.

Mr. Rob Esselment: Can I get a time check just to figure out how fast I have to read?

The Vice-Chair (Mrs. Laura Albanese): Yes. You have four minutes.

Mr. Rob Esselment: Okay; great. What my role is is to try and share some of the good news stories or Western's ideas on how partnerships between various stakeholders, including Western University's colleges, can help our region and our province build a better economic future. In the new globalized environment driven by a knowledge-based economy, universities can and should play important roles in promoting economic development through both innovation and knowledge transfer.

Western is very good at knowledge creation, but we have more work to do when it comes to the dissemination and application of that knowledge. We've identified, at Western, 10 signature areas of research where Western is already or has the potential to be national leaders. Within those 10 areas, we've determined four areas where we think there's an enormous possibility or potential to move that knowledge into the private sector through knowledge transfer and technology transfer. Those four areas, as we see them right now, are biomaterials and materials, including advanced manufacturing; imaging and medical devices; all types of alternative energy but more specifically bio-fuels, bio-oils and wind engineering; and then the digital media sector.

Universities can't do this alone; we understand that. We can't create the numbers of jobs that Ontario needs on our own. It's not our job. Our job is to train and create the leaders of the future, which is something we think we

do quite well. But we can work together and seek out those partnerships and those collaborations that will result in the opportunities that will attract industry and create new jobs. We need to make investments in our future, and unless we're prepared to invest, we cannot get others to invest as well. That's how the system works. We must invest carefully and strategically, but we must be willing to invest.

We can create these magnets which will attract high-value activities to Ontario, including research clusters, and I encourage you to think about finding some flexibility within the limited resources that are available to the province in order to make these types of investments. They've made them in the past; either Ontario has made them on their own or we've done them through matching programs with the federal government—the Ontario Research Fund and Canada Foundation for Innovation, for example, in building research infrastructure—but we need to make those steps.

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Western's not waiting for opportunities to come to us, though. We're actively seeking out partnerships and collaborations with other universities, the colleges, cities and, most importantly, industry to try to move some of these areas where Western has strengths—some of these opportunities—forward so that we can immediately see the impacts and start attracting industry and job creation to Ontario.

We encourage Ontario to continue to invest in the talent, the innovations and the initiatives that will fulfill our province's economic potential.

Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for appearing before our committee this morning. Mr. Prue, you may begin your questions.

Mr. Michael Prue: One of the things you said was quite startling to me: that 40% of the students graduate debt-free. How is that?

Mr. Marty England: The most recent statistics are that 42% of our students graduate free of debt and that a further 7% graduate with debt of under \$10,000.

There have been recent improvements in the OSAP program, with greater upfront grants to students that will mean that they need not draw on OSAP. These improvements have made a difference. Western itself is now investing approximately \$50 million a year of our own resources in need-based financial aid.

We're attentive to our obligation, shared with the province, to put resources into financial aid, and it is bearing results.

Mr. Michael Prue: Is that true in other universities around? Because this is not what students and other universities come and tell us. I've never heard this before.

Mr. Marty England: We can certainly ask, via the COU, the Council of Ontario Universities. We can provide the committee with aggregate statistics. I know that we've compiled them and presented them to officials within the Ministry of Training, Colleges and Univer-

sities. Madam Chair, I can take notice of the question and take it back to my colleagues at the Council of Ontario Universities, if that's agreeable.

The Vice-Chair (Mrs. Laura Albanese): That's agreeable. That's welcome. Thank you.

Mr. Michael Prue: Ontario does not have a stellar reputation when it comes to funding its universities. It is said we're either last or second last of the 10 provinces in per capita funding. What you're telling us today, though, doesn't reflect any of that.

Mr. Marty England: It is challenging. We do deal with fewer per capita resources than other provinces. We do have higher tuition fees than some other provinces—

Mr. Michael Prue: Than all of them.

Mr. Marty England: —and it compensates, to some extent, for lower provincial operating grants. That goes to the question of balance, I think, that I put before you at the beginning. I'd like to think that it's a testament to the good work of our faculty members and our staff members that we've succeeded in producing high-quality education. I don't know how else to answer the question.

Mr. Michael Prue: Well, I think in spite of the province. Really, that's the way that I at least see it, and I know the education critic for the NDP, Mr. Marchese, sees it that way. He often stands on his feet and complains that the per capita grants are the lowest per student in Ontario, of all the provinces, and the tuition fees are the highest per student. So it would, I think, marginalize students on the poorer end of an opportunity for advanced education. That's just the way it looks to me, but you're telling me that's not the case.

Mr. Marty England: Let me respond in this way. When I said earlier that Ontario's universities agreed, as part of our contract with government, to engage in a student survey to gauge how well we're doing or whether there's improvement, it is a US-based survey, the National Survey of Student Engagement, so we can compare our results in Ontario to those of sister institutions in the United States.

While our scores at Western have been improving over the past five years—and I'd be pleased to provide evidence of that—we still fall far short of our sister institutions in the United States. We operate at about 60 cents on the dollar compared to them. I think the gap in funding is far greater for us in Ontario, when we measure our true international competitors. If you asked me what would keep me awake at night, it's that 40% gap that I think somehow we have to think about closing over time. I'm not being unrealistic and suggesting that in our current economic circumstances we can address that, but I think we have to have our eye on the future, and that's where the gap exists, Mr. Prue.

Mr. Michael Prue: Okay. I'm nervous about—

The Vice-Chair (Mrs. Laura Albanese): Thirty seconds left.

Mr. Michael Prue: I'm nervous about where the finance minister is going to go with this, but universities obviously need some more money. Really, it's for the government to give them some or for them to get it from

the private sector, which is difficult, or the most likely is to get increased tuition fees for students. Is that something that you would embrace, increased fees for students?

The Vice-Chair (Mrs. Laura Albanese): I'm sorry, but the time has expired. Sorry about that.

Mr. Michael Prue: He can say yes or no.

Mr. Marty England: I'll give a very brief answer. It's a question of balance, Madam Chair. I think Mr. Rae, in his report five years ago, noted that there is no single correct answer.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for that, and thank you for your presentation this morning.

COMMUNITY LIVING TILLSONBURG

The Vice-Chair (Mrs. Laura Albanese): I now would call Community Living Tillsonburg to come forward. Good morning. You will have 10 minutes for your presentation, and that will be followed by five minutes of questioning from committee members from the government side. Please state your name for the purposes of our recording Hansard, and you may begin.

Mr. Bob Parsons: Thank you, Madam Chair, members of the committee. Thank you for the opportunity to speak here today on behalf of Community Living Tillsonburg. My name is Bob Parsons, past president of Community Living Tillsonburg, and with me is Marty Graf, chief executive officer.

We would like to begin by thanking you for the efforts of the government these past years, including the four-year funding announcement in 2007. Community Living Tillsonburg provides services for people with intellectual disabilities, and employment services for people with a wide range of disabilities. We also provide child care and early learning programs, and provide supports to children with special needs and their families.

We recognize that the government is facing serious economic challenges. Community Living has always worked with the government to make the most efficient use of public funds in addressing the needs of people who have intellectual disability, and in the provision of child care supports to children and their families in Ontario. While recognizing the current realities of the economy, our recommendations are aimed at ensuring that the supports and services we provide continue to meet the needs of the people we support and that we remain a healthy organization.

Our recommendations are as follows.

One, take action to minimize the potential for labour disruptions and reduce the impact of labour disruptions on the people with intellectual disabilities. As you visit the southwest region today, be reminded that it was in this region in 2007 that our agency, along with six other agencies, experienced strikes and labour disruptions. This year will mark three years since those strikes. A number of agencies, including ours, are faced with contracts that expire and could potentially be faced with labour

disruptions again. It is important for our sectors to experience stability and have the ability to plan for the future.

During the strikes, many people were confined to their homes. Neighbourhoods in our community were disrupted by picket lines as picketers were shouting and using megaphones and whistles. In some locations, this occurred at all hours of the day and night. While we believe workers have every right to pursue all reasonable means to achieve their labour objectives, including the right to strike under the current labour relation practices, these practices violate the rights of people who have an intellectual disability and cause significant disorientation and fear. They should be able to enjoy their own homes peacefully. This would not be tolerated for any other citizen in our society and should not be tolerated for people who have a disability. The Minister of Labour and the Minister of Community and Social Services must introduce a policy prohibiting picketing at any home of a person receiving support through developmental services. Action must be taken immediately in order to have this policy in place before people are put at risk as a result of a large number of collective agreements that come due in April 2010.

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At this critical juncture, the old way of doing business can no longer be accepted or tolerated. We believe it is imperative that, over the next several months, a new approach be put in place so that people with disabilities are not caught between the funder, the service provider and the employee. We are putting everyone on notice that we believe we are an essential service. We will be doing everything we can to ensure that the people we support are not caught in something they have no ability to affect.

Recommendation two: In this budget, there needs to be funding for the fourth year of the plan announced in 2007. The government should be working to ensure that the developmental sector will be given another four-year commitment. New investments are crucial.

A growing number of people who have an intellectual disability and their families are not receiving critical supports and services. In Oxford county alone, there are 56 people on the waiting list for accommodation supports. In most cases, you are dealing with aging parents who have taken care of their child or children for many years at home. We have to ensure that there are places or supports available when those family crises arise.

We were before you three years ago commending you that in Oxford county, there were no families on the waiting list for the special-services-at-home program. We all celebrated that achievement. As of November 2009, the special-services-at-home program in Oxford county now has a waiting list of 60 families. We know that families are healthier when they can access the supports that should be available to them, accessing respite needs and allowing their children with special needs to gain opportunities to grow and learn new skills. Again, this is just in Oxford county.

We estimate there are more than 10,000 additional people who are on waiting lists for community supports and services. These individuals and families are being put into situations of great risk. We need new investments to address these dire needs.

We're also concerned about the challenges being developed in regard to early learning and expansion of full-day kindergarten. Our resource consultants play a significant role in supporting children with special needs and their families in child care and early learning environments. We are concerned that the government plan for early learning has not planned enough for children with special needs going into full-day kindergarten. Please consider how we can work with you to make sure children get all of the services and support they need.

Recommendation three: Strengthen the Ontario disability support program. Support individuals with disabilities to live with dignity and full inclusion in their community. For many years, we have been petitioning the government to increase the ODSP income supports to ensure that people with disabilities can live with dignity and participate fully in their community. We are very interested in Breaking the Cycle: Ontario's Poverty Reduction Strategy and request that we have an opportunity to work with the government to ensure that individuals with intellectual disabilities have the opportunities and income support to contribute in a meaningful way.

As a service provider of employment supports, we have supported many individuals with disabilities in the workplace. We encourage the government to look at how these individuals can keep more of their earnings and, as the economy recovers, how we can ensure that people with disabilities are included in the workforce.

In closing, again, we want to thank the government for their efforts, and we look forward to being included in this budget process as well this year. We also know that the work of the government is to support the transformation of the developmental services sector, and we encourage you to continue with that.

Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your submission. I will turn it over to Mr. Ramal.

Mr. Khalil Ramal: Thank you very much for your presentation. I have questions, and my colleague on my right side has questions too, in a different area.

You mentioned the strike issue. I know it was very disturbing. I still remember that time, two years ago, when it happened in London and I guess your area. It was difficult for the residents, it was difficult for the families and it was difficult for the workers in many different aspects.

As you know, it was a big debate about the workplace. The workers defined the homes as workplaces for them, and that's why they got the right to strike and picket those homes. Also, the family was disturbed, the organization was disturbed.

What's your definition? Like, you should be striking only the offices, not the homes? What do you ask us as a government to do specifically?

Mr. Bob Parsons: Through you, Madam Chair: Sir, we would respectfully suggest to have a dialogue about this. Yes, our workers do work in some of the residences where the people that we provide care for live, but we certainly have many other workplaces. We have our corporate office and we have a number of our outreach workplaces that would make a better place for labour to represent their needs, as opposed to someone's home. I believe you would understand and agree with me that some of the people with intellectual disabilities that we provide care for don't understand these issues and feel threatened and at risk when this happens in front of their homes.

I believe that dialogue has to take place to see if we can find the right way, the balance, to allow labour to practise what they need to practise but respect the homes of the people with intellectual disabilities. Thank you.

Mr. Khalil Ramal: Thank you very much.

The Vice-Chair (Mrs. Laura Albanese): Maria Van Bommel?

Mrs. Maria Van Bommel: Thank you, Chair.

I'm particularly interested in your comments about the early learning and full-day learning for four- and five-year-olds. The process is being phased in, as you well know. You talk about supports and you say that you feel there hasn't been enough planning for children with special needs. My question to you is, what do we need to do now in the schools that are going to be instituting the early learning, and what other things are you looking for in future as we phase this in throughout the province?

Mr. Bob Parsons: Marty?

Mr. Marty Graf: I think it's important to understand the role of the resource consultants in the current system. In the current system, our resource consultants will assist and support children with special needs to be able to be involved in the regular child care centres. Now that these children with special needs will be going into the classrooms, it's important to recognize that they will require some additional supports. At times it's a matter of providing some of the kind of material resources, or sometimes they do need a personal support worker with them as well, so some enhanced staffing.

I'm not sure that there's been enough attention paid to the issue. We've been trying to ensure that the issue is raised in the provincial discussions, because it is important for children. We see the value, obviously, of inclusion as they start in the child care centres, and the expectation is that there should be inclusion in the school system. So you have to recognize it's going to take additional supports to ensure that those children with special needs will be able to fully participate in the kindergarten programs.

Mrs. Maria Van Bommel: You talk about human resource supports for these special-needs children. Do you feel, then, that the schools structurally, in terms of infrastructure, are adequate at this point to be able to have these children attend the early learning and full-time JK—

Mr. Marty Graf: They should be involved and included fully. It's not the position here to be talking about our concerns about the board of education. I could give you examples where we feel children aren't being included enough in the school system already as they're moving into grade one. So we have concerns that we want to alert people to: Please make sure that you're planning for children with special needs in this major transition.

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The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation this morning and for appearing before the committee.

COMMUNITY LIVING LONDON

The Vice-Chair (Mrs. Laura Albanese): We now call on Community Living London. Good morning. You will have up to 10 minutes for your presentation. That will be followed with up to five minutes of questioning. This rotation will go to the official opposition. Please identify yourselves for the purposes of our Hansard recording, and you may begin.

Mr. Murray Hamilton: Good morning. My name is Murray Hamilton, and I'm a volunteer with Community Living London. Participating in our presentation this morning will be Mr. J.P. Regan. He is a member of our self-advocates council, the New Vision Advocates; and also Robin Hurdle, who is a mother of a young lady with an intellectual disability.

I'd like to start off by asking the committee just to pause quietly and think about the number 10,000. When you think about the number 10,000, what does that mean to you? Does it mean 10,000 constituents that you might have helped? Or \$10,000 for a project in your constituency that you would like to fund? Or 10,000 more voters that you need to win the next election? Or 10,000 more meetings that you have to attend before you retire?

When we think about 10,000, we think about 10,000 adults, 10,000 men and women with an intellectual disability who have no home of their own; 10,000 citizens of our province who are still living at home with their mothers and fathers well into their 30s, 40s, 50s and 60s, family members who are required to provide not only accommodation for their family members, which they willingly do, but also to provide all of the services and supports that those individuals require. I also want you to think of this as a growing number, because each year a number of young people graduate from high school, enter the workforce, and come to the age where they should be moving into the community and establishing lives of their own as individuals who are independent and yet they cannot do that, so their names get added to the long waiting lists across the province.

I would ask you to juxtapose this number with the number of 8,000. That was the number of people living in Ontario-operated government facilities in 1982 when the Davis government began the process of downsizing institutions, leading to the closure of these institutions in

2009, an event that we all celebrated and an event in which all parties around the table over those intervening 40 years participated. But while these 8,000 people were being moved from facilities to communities—as I say, something we all applauded—waiting lists, meantime, were building up. We have reached the point today where, while 8,000 people have been assisted to become established in the community, 10,000 more people are now waiting.

To address this issue will require a significant amount of resources. We estimate that building an adequate community infrastructure will cost more than half a billion dollars; perhaps \$600 million or \$700 million. Obviously this is not something that can be done quickly but it must be initiated immediately; it must be initiated in this budget. The government must begin to establish a plan to establish community living as a goal and as a realistic objective for people over the next five to 10 years.

I would like you now to listen to just one story. Robin Hurdle will tell you her story and the story of her daughter Amy.

Ms. Robin Hurdle: Dear committee members: I'm here today as the mother of a 22-year-old daughter who has an intellectual disability and to share her story and our family's story. I am also representing the over 10,000 people and families who are currently on waiting lists for developmental services and do not hold any hope for community services and supports, due to the severe lack of government funding.

My daughter Amy is a beautiful young woman who is affectionate and fun-loving: a people person who enjoys reading books, swimming, watching movies and being active. She has a severe intellectual disability and requires assistance for all her activities of daily living and constant supervision for her safety. Amy has always been a strong-willed and impulsive person who has serious temper outbursts and can be aggressive by hitting, pinching, and pulling the hair of myself, her father, her younger sisters and her support staff. Raising Amy has always been extremely challenging and exhausting. As a family, we are presently overwhelmed on a daily basis in caring for Amy at home due to a significant increase in her aggressive behaviours and demanding nature over the last three years. Everyone's safety is at risk. Amy goes to respite services a few times a year and receives some hours each week through special services at home. Since she graduated from high school in 2008, we've had to pay privately for support staff to be with Amy during the week so that I can go to work. This places an undue financial hardship on our family. Our family is physically and emotionally exhausted in caring for Amy at home.

Amy needs a group living environment where she can grow, blossom into young adulthood and explore new life experiences. She is one of 300 other people on a waiting list in London and Middlesex county alone who are waiting for residential supports. About five people a year come off this waiting list. Amy is also on another long

waiting list for a day program, which has a waiting time years in length.

This is just Amy's story. The other 9,999 persons and their families will have their own unique stories about how they are seriously impacted by the waiting lists. Some of the other persons and their families are:

—young adults who have graduated from school with limited options to participate in community programs, who may only get out a few times a week. Instead, they are stuck at home and socially isolated;

—adults who require extraordinary supports on a 24-hour basis. These families qualify for very limited support in their home, and do not have any access to appropriate respite services and day programs for their sons and daughters; and

—elderly parents who have always supported their sons and daughters at home and who can no longer support them due to their increased age and health conditions.

This government needs to start taking the funding of developmental services seriously by reducing the waiting list to zero and promoting these citizens' opportunity to be fully included in their community. Individuals and their families, like ours, are in crisis now, and we need programs and services now, not years from now. Ours is not a situation that you can ignore and it will go away. Ignoring the crisis in developmental services and failing to provide the necessary funding so that families can desperately get the required residential placements, day programs and respite services they need will only cause the crisis to get worse. As parents age and eventually die, who is going to look after our children then?

Mr. Murray Hamilton: Thank you, Robin. We would like now to turn to two other issues that are of concern to people with intellectual disabilities.

First, we wish to address the critical issue of supports provided to people with intellectual disabilities through the Ontario disability support program. We were pleased with the announcement of a plan to review social assistance in Ontario. If you'll recall, this is probably the third major review of this program in the last 10 or 15 years, with no significant changes in allowances provided. There's a wide acknowledgement that the current disability income and employment support system is in desperate need of repair. A broad strategy is needed to address disincentives to employment, enable ODSP recipients to keep more of what they earn, and to enable asset-building strategies so that people can build on their own capacity to escape poverty. In a time of such economic instability, the 2010 provincial budget should, at a minimum, provide new funding to increase payments to ODSP recipients by an amount equivalent to the annual cost of living.

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The Vice-Chair (Mrs. Laura Albanese): You have one minute left.

Mr. Murray Hamilton: I would now ask Mr. J.P. Regan from the New Vision Advocates to address this issue of ODSP income as well.

Mr. John Paul Regan: Thank you, Murray. My name is John Paul Regan. I am the past chair of the New Vision Advocates group, supported by Community Living London.

I am here on behalf of the members of the New Vision Advocates to speak on changes we feel are needed to the Ontario disability support program. The majority of people living with an intellectual disability must rely on ODSP as their main source of income. The poverty line for people in Ontario is \$15,500; the top-end payment for ODSP is approximately \$12,500. This means that people who rely on ODSP are forced to live 19% below the poverty line. Even for those lucky enough to find a job, they are still only allowed to keep the first \$100 of the money they make. After that, they are penalized for earning money. This means that, under the ODSP regulations, 50% of what they earn is deducted from their ODSP allowance, leaving people with no means to build their own capacity to escape poverty. Having a disability should not be a life sentence to poverty. I would like to appeal to the government to allow people who are working and receiving ODSP to keep enough of their wages to enable them to live above the poverty line.

I would like to take this opportunity to also address our concerns with picketing by workers in front of people's homes during a work stoppage. In the summer of 2007, support workers of seven community living agencies, including Community Living London, went on strike. During this strike, many people who receive support had their homes picketed. They were confined to their homes or they were forced to move. People were scared to go outside because the staff picketing would yell, swear and use noisemakers. The disruption in front of people's private homes caused neighbours to be less accepting, and homes became labelled. We know that everyone has the right to picket, but to put people who need support in the middle is wrong. We are asking that the Ministry of Labour and the Ministry of Community and Social Services develop a policy prohibiting picketing at any home of a person receiving support through developmental services.

I'm going to turn things back over to Murray, who will speak more specifically about the funding needed to avert workers going on strike.

The Vice-Chair (Mrs. Laura Albanese): Thank you, Mr. Regan. I would like to advise you that there's only a minute and a half left for questioning. We're already in the questioning area.

Mr. Murray Hamilton: We'll finish our presentation and respond to your questions.

The Vice-Chair (Mrs. Laura Albanese): There won't be any questions if you use up the minute and a half.

Mr. Murray Hamilton: No, I'm saying we'll stop now and allow questions.

The Vice-Chair (Mrs. Laura Albanese): Oh, okay. Mr. Miller.

Mr. Norm Miller: Thank you very much. I know we have lots of questions, but we'll use the minute to ask a couple.

On the disincentive in ODSP to employment, especially when you see the province with the challenging financial situation of a \$24.7-billion deficit, I know, from my perspective, it seems like bad policy to have this disincentive. What would you recommend in terms of allowing people on ODSP to earn income?

Mr. Murray Hamilton: Well, currently there's a structure that allows people to retain the first \$100 of their earnings, and we would recommend that the level be increased so in fact they can retain those earnings, because this is money they require for their food, their clothing, their shelter, all of their needs of daily living. I think it's critical that we establish a mechanism that is automatic, that it isn't just left for the government to decide periodically.

Mr. Norm Miller: Have you got a level in mind? I'd just like to get it on the record. I'm certainly completely supportive of that, and I think probably my colleagues are as well, but is there a number that you think—

The Vice-Chair (Mrs. Laura Albanese): Please be concise.

Mr. Murray Hamilton: I wouldn't want to give you a number off the top of my head without having thought about it some more.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. The time has, unfortunately, expired. I want to thank you for your presentation to the committee today and I also want to thank the official opposition for allowing the presentation to conclude.

ONTARIO GRAINS AND OILSEEDS

The Vice-Chair (Mrs. Laura Albanese): I would now call on Ontario Grains and Oilseeds to come forward. You will have 10 minutes for your presentation and then up to five minutes of questioning. This rotation will go to the NDP. Please state your name for the purposes of Hansard recording, and you may begin.

Mr. Leo Guilbeault: Hello. My name is Leo Guilbeault. I'm the chairman of the Ontario Grains and Oilseeds Safety Net Committee. We represent over 28,000 farm families growing soybeans, corn, wheat, canola and edible beans from North Bay to Windsor. We represent the backbone of the economic lifeblood of rural communities throughout Ontario. Our labour innovation brings over \$2.5 billion a year in food and biofuel products, but most importantly, our farmers feed Ontario cities and the world.

We understand that this has been a year of great changes and great challenges. I operate a soybean farm in Lakeshore, Ontario, which is not too far from Windsor. I know first-hand how the economic downturn has affected this province. I see the fallout from plant closures and job losses in my community every day. Ontario's 28,000 grain and oilseed farmers are no strangers to hard times. For the better part of this decade, our income has only occasionally been able to cover our costs of production. In order to keep family farms going, many producers have had to take second and third jobs to survive, and

some have just left the farm completely. That's why we banded together in search of a solution. Our solution was a risk management program or RMP, as it's known.

In 2007, the McGuinty government showed leadership and a commitment to the long-term stability of Ontario family farms by implementing RMP. It came just at the right time, as 2007 was shaping up to be one of the worst years on record for grain and oilseed farmers. I would like to take this opportunity on behalf of our members to thank the government for having the foresight and courage to implement RMP. I would also like to take this opportunity to urge the government to make RMP a permanent program. RMP is not a bailout, it's not a subsidy, and it's not a one-way cash transfer. RMP is an insurance policy against abnormally low prices. Farmers pay a premium to protect their income in case of a commodity price collapse. It is a partnership between the Ontario government and the farmers who pay the premium. The program provides bankability and predictability to a sector that suffered through negative margins in the early 2000s. This is a proactive and forward-thinking program.

In the three years since the introduction of the RMP pilot program, a lot has changed. The flight of the family farm has subsided. Before RMP was available, Ontario was losing 1,200 family farms a year, according to Statistics Canada. Many of those family farms had been operating through three generations or more, but producers just saw no hope, no reason to continue without some type of safety net for low prices driven by international subsidies.

Thanks to RMP, farmers have an important tool to plan for the future. RMP has had the support of farmers since day one and has kept that support. RMP has a retention rate of 90% in the farming community. In 2008-09, producers had a good idea that the futures prices might be higher than the RMP payout coverage and the payout would be small, but yet they still paid into the program.

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For the Ontario government, RMP represents good value, as the province has paid out of only 3% of the budgeted amount while providing our sector with much-needed income. The Ontario government hasn't paid a single penny in emergency ad hoc to grain and oilseed producers. Prior to RMP, these ad hoc payments were almost too little and too late. The government pays \$15 million into RMP, far less than it would into any ad hoc program. Ontario even made money on the program in 2008, approximately \$20 million, due to stable prices complemented by widespread farmer participation.

Farmers appreciate the leadership shown by the Ontario government for RMP. However, RMP is now set to expire and we don't know if it will continue.

The reason this program is so popular with farmers is that it gives some sense of long-term stability and ability to plan for the future after eight years of depressed world prices. In the program evaluations in November, the Ministry of Agriculture and Food noted that RMP achieved many of its immediate goals and intermediate

objectives. It is acknowledged that there is a strong support among grain and oilseed producers for RMP, and there is widespread support generally for the program as a whole.

Right now, farmers are preparing their planning schedules for the spring, purchasing their seed and budgeting for their inputs, yet they don't know if RMP will continue.

Last month, farmers in Quebec received good news: Their government stepped up with a five-year commitment of \$650 million to continue a similar program for most of their farm sectors, known as ASRA, l'assurance stabilisation des revenus agricoles. We hope that Ontario looks at our neighbours as an example.

We, as farmers, have done our part to make RMP a success. First, we have supported it with our own pocket-books through premiums. Even when the prices were good in 2008-09, we still contributed to RMP, knowing that it was unlikely there would be a payout.

We have also formed a strong coalition with the Canadian Federation of Agriculture and Quebec grain and oilseed producers. Our group, the Ontario-Quebec Grain Farmers' Coalition, has been aggressively lobbying the federal government to come to the table as a partner. We have been somewhat successful. In the 2009 budget, the federal government implemented the agricultural flexibility fund to help sustain regional agricultural programs. The only problem was, business risk management schemes like RMP were excluded. We have been actively reaching out to the federal decision-makers with the goal of including Ottawa as a partner in funding our regional business risk management programs.

We have had regular correspondence with federal minister Gerry Ritz, made submissions to the federal pre-budget consultations, and appeared before the agriculture committee on BRM strategic review in mid-November. The agriculture committee at the House of Commons even passed a motion to support the BRM component of AgriFlex.

We will continue to do our part, including working with the OFA and other commodity groups to pressure the federal government to fund regional business risk management. We know this is on the agenda for the upcoming federal-provincial-territorial meeting with the agriculture ministers at the beginning of February. Everyone would like the federal government to support RMP as a partner: Farmers do, and so does the Ontario government. We are not a government, but we have spent considerable time and effort to bring the federal government on board. However, at no time was federal participation a condition of sustaining RMP.

We understand that Ontario is facing current budget challenges. We know the costs will be examined closely in the upcoming weeks as the budget gets drafted. However, the government paid \$15 million into RMP, far less than it would have paid in any ad hoc emergency aid if there were no safety net programs available. It is clear that RMP saves the Ontario government money.

As we all know, agriculture is the economic backbone of rural communities throughout Ontario. It is estimated

that the direct economic impact at the farm gate is over \$2.5 billion per year, and spinoff industries bring an additional \$10 billion. There is even some speculation that agriculture could once again return to being the number one economic sector in this province, with the downsizing of the auto industry.

We are requesting that RMP be made a permanent program in the 2010 budget. If the program expires in 2009, as it is set to do, farmers will lose the long-term stability that the program provides.

The alternative is to go back to ad hoc payments funded for commodities and sectors that are in need. This would mean a return to stumbling from one crisis to another while the family farm continues to wither.

The important thing to remember is that RMP is a critical pillar in supporting the multi-billion dollar industry that feeds Ontario's cities and keeps rural communities thriving. It is time to make it a permanent program. Please make RMP permanent. Thank you for your time.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your submission this morning. The rotation calls for the NDP to start. Five minutes of questioning; Mr. Prue.

Mr. Michael Prue: Thank you very much, Mr. Guilbeault. I want to first commend the grains and oilseed farmers for coming to the Ontario Legislature this year. You had a very good reception and taught a city boy like me a few things. I was really quite impressed with all the uses that are made of grains and oilseeds. I just wanted to convey to you, so that you can tell others, that it was a worthwhile program that day.

Mr. Leo Guilbeault: Thank you.

Mr. Michael Prue: Having said that, it seems like your request is—there are only two things you're really looking for from the Ontario government. One is to continue a program that has been successful to date.

Mr. Leo Guilbeault: Yes.

Mr. Michael Prue: So it won't be increasing government costs, it will just be extending the same costs they've already been committed to the last couple of years.

Mr. Leo Guilbeault: Yes.

Mr. Michael Prue: And the second thing, I guess, is to sit around the table and convince the federal counterparts that they ought to belong to this too. Have I got that right? Those are just the two things you're looking for?

Mr. Leo Guilbeault: Yes. We're looking at making RMP a permanent program. We went through the three-year pilot project that was established between our group and the Ontario government. It was deemed successful by the review and by the Ontario government, so we're asking to make it a permanent program now.

Yes, we've been lobbying hard for the federal government to come on board as a partner. Although it never was a condition of RMP to have the federal government on board, it would be nice from our side and the Ontario government's side to have the federal dollars flow into our regional flexibility program. That's a

continued lobbying effort by us and not an easy job to do, but it's something that we work at every day.

Mr. Michael Prue: Why has this been so difficult for the grain and oilseed producers? We've had supply management in other sectors of agriculture for years and every supply management system seems to work. Again, I'm a city boy, but they all seem to work from an economic background. Looking at it economically, it works for the producers, it works for the province, it works for the consumers. Why is there difficulty, why is there resistance for your group or any other group that still hasn't got supply management?

Mr. Leo Guilbeault: Good question. When the Growing Forward budget was put forward by the current government, we had put in a submission for a program called AgriFlex that would have been a complementary program to their current suite of agri-programs. They used our language, they used our ideas, they agreed with all our concepts and at the end of the day, when the 2009 federal budget was carried forward, there was a fund established for agricultural flexibility funding.

What they failed to add to that program was the business risk management component, which was a major part of our submission. We were extremely disappointed that they used our language and they used our ideas all the way through the campaign and the budgeting system, and when it came time to deliver the budget, the most important part of our submission got excluded. That's what we've been working to get back on the table with them, to get that included, because it is the backbone of the whole program.

Again, it's not a handout, it's not an ad hoc payment, it's a scheduled payment that would provide funding to the sectors that need it in that specific time frame. I mentioned that in 2008 and part of 2009, the grain and oilseeds sector did not need the funding because the markets were at a level that compensated our cost of production at a level that we needed it. Other sectors, like the livestock and the pork industries—over the last couple of years, we all know the struggles they've been going through. So that's where the funding could be flexible, to switch to those sectors instead of the grain and oilseeds sector. That's what we were trying to pitch to the federal government: Put the money where it's needed; don't just throw it out there on an ad hoc basis. Most of the time it didn't go to the right people at the right time and it wasn't the right amount of dollars.

So we're trying to make a system, not using more money, but using the current money that the government spends and spending it more wisely and in a direction that it is needed and at a time that it's needed.

Mr. Michael Prue: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your submission this morning.

Mr. Leo Guilbeault: Thank you.

PEOPLE FIRST TILLSONBURG

The Vice-Chair (Mrs. Laura Albanese): We now call People First Tillsonburg to come forward. You also

will have up to 10 minutes for your presentation and that will be followed with up to five minutes of questioning in rotation. This time we'll go to the government side. I would ask that you identify yourselves for the purposes of our Hansard recording, and you may begin.

1140

Mr. Michael Kadey: Okay. Good morning. My name is Michael Kadey. I am the vice-president of People First of Tillsonburg. Beside me is Mike Cerna, president of People First of Tillsonburg. We would like to thank you for allowing us to speak at the meeting today. With the upcoming provincial budget, we have asked for the needs of people with disabilities to be included. We are asking for a real increase in ODSP rates, as this is the only income that a large number of people have. We have to pay rent, food, clothing, transportation and household items. Often, we have extra expenses, many of which are not covered by Ontario health benefits. Whatever prescriptions the doctor gives to you should be paid for; not a substitute, but the right medication. Some eye checkups are every two years, but if we have to go for an extra one, we pay for it.

Due to the cost, we have to cut back. We are unable to pay bills. The cost of groceries is very expensive. Other people's carts are full. If I bought like them, I would have to take from the utility bill. I have to buy cheap food. Some people have to go to the food bank and you're only allowed so much. I spoke to my staff and was told that that is what you have to put up with when you are poor. People have to go to the soup kitchens for a meal. We are asking that there will be more financial rewards for individuals who work.

When we obtain a new job, we receive a \$500 clothing allowance. Many of us stay at the same job for many years. We feel a clothing allowance should be given to us every year if we are working. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you. The committee truly appreciates your presentation and your submission.

I would now turn it over to Mr. Arthurs for questions.

Mr. Wayne Arthurs: I'm just going to make a quick comment of thank you, Michael and Mike, for taking the time to be here this morning and making this presentation, and turn to Mr. Ramal, who has some specific questions.

Mr. Khalil Ramal: Thank you very much for your presentation. It's very important to voice your concern to our committee. That's why our committee travels in the province of Ontario, to listen to many different constituents, stakeholders and agencies to shape our budget in the future.

As you know, we've been working hard with many different stakeholders across the province of Ontario to deal with poverty issues and the reduction of poverty issues on a review basis, on a regular basis. People like yourself, when you come to our committee and voice your concerns and outline your needs, I think play a pivotal role in order to shape the future of this province and also the future of this budget. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Any further questions? You may proceed.

Mr. Dave Levac: Michael and Mike, I'm familiar with People First. I appreciate that you actually have chapters across the province now, if I'm not mistaken. This is a grassroots organization that has no affiliation to any political party and it's a non-partisan organization that is formed from the grassroots with people themselves who are part of the group that's asking for concern and consideration.

You've mentioned a couple of specifics today, such as that while someone is working, that they continue receiving some kind of clothes allowance in order for them to maintain a professional dress.

Mr. Mike Cerna: Yes. We'd like to have the clothing allowance every year, not just as a one-time deal. I got a hockey job at the arena. I got \$500 in a one-time deal. If we could change it for the people who have a disability and let them have a job where they work every day, if they like the same job, maybe the government could change the laws to put in the allowance every year, not just once in their lifetime.

Mr. Dave Levac: Right, and that would be a recommendation: that it not affect ODSP payments, that it be above and beyond.

Mr. Mike Cerna: Yes.

Mr. Dave Levac: If you have any other suggestions and recommendations that this committee should hear beyond your presentation today, we would be more than welcome to receive those so that we could make sure that the Minister of Finance sees them.

I want to thank you again.

Mr. Mike Cerna: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you for appearing before the committee. We are now recessed until 1 o'clock.

The committee recessed from 1147 to 1300.

The Vice-Chair (Mrs. Laura Albanese): The Standing Committee on Finance and Economic Affairs will come to order for our afternoon session.

NORTH LAMBTON COMMUNITY HEALTH CENTRE

The Vice-Chair (Mrs. Laura Albanese): Our first submission will come from North Lambton Community Health Centre. Please come forward. You will have 10 minutes for your presentation. That will be followed with up to five minutes of questioning that will come from the official opposition. Please identify yourself for the purposes of our Hansard recording. You may begin.

Ms. Kathy Bresett: I'm Kathy Bresett, the executive director of the North Lambton Community Health Centre.

I believe you have a presentation in front of you, inside the folder, if you'd like to follow along. It looks like this, with a bridge on the front, and it's called Bridging the Pension Gap for Community Health Centres. It's about equity and integration.

The North Lambton Community Health Centre has four sites located on the map, in Forest, Kettle and Stoney Point, Watford, and Sarnia. The next slide is a picture of our sites in those towns of Forest, West Lambton, Kettle and Stoney Point and Watford.

We are one of 75 health centres in the province of Ontario and 10 aboriginal health centres as well. We serve priority populations with barriers, and some are listed below. Those are my populations. We have a combination of rural, urban and aboriginal centres. Many of our other colleagues in the province serve new immigrants and homeless people—the marginalized and disadvantaged.

Why the health centre model works, and this is key: We've had 30 years of experience with interdisciplinary teams. The team members are listed: physicians, nurse practitioners, dietitians, registered nurses and social workers. We work collaboratively. What makes this model different is it's working with primary care, emphasizing health promotion and the social determinants of health, and it is the only primary care model where the physicians are employees and are under the LHIN's mandate; fee-for-service family health teams are not, as of yet. So that's key, going forward with the chronic disease strategies of the ministry.

There's a nice quote from Obama, because he has health centres in the States and he has been funding them quite well, knowing the health prevention and illness piece to them—so in the next slide, "Good Health for All," we have a significant investment by the ministry, and it has been very welcome, with the addition of new centres, new satellites, diabetes teams, poverty reduction strategies, a low-income dental program that's just coming up. We are the only model that holds the non-insured funding for the province for the disadvantaged with no health care funding.

Here's the key slide: "The Way It Is." There's a two-tier health care provider salary and benefits system currently in existence. The hospitals, CCACs, large organizations and the LHINs are on one side, and tier two are the community health centres and the aboriginal health centres.

The next page shows the inequity of same positions within the acute care system and our community health centre systems. For example, I took the diabetes team, which have recently been funded: On the acute care tier-one side, you can see there's a 15% to 17% difference in the same position in the health centres. More significantly so is the pension amounts. They're looking at 59% and 56%. So that's why I'm here today: to talk about the pension piece in particular, to put forward the health strategy of the ministry.

The next slide shows the ministry and the LHINs trying to get over to the communities. This is what has changed. We have to transfer services—diabetes—to the communities and improve access and barriers, but the CHCs are struggling because of the funding inequity.

The next page shows the sinking pressures I face every day, which include recruitment and retention. I've

become a training ground for the other sectors. I will hire excellent staff, they'll find out that the hospital pension in HOOPP and the salary is 20% to 30% higher, and I will lose CDA-approved dietitians and nurses who have just learned excellent collaborative and interdisciplinary skills from myself.

What we need to do is to—the equity is to bring us up to par with our peers so that we can help deliver the Ministry of Health strategies, and if you start with a pension, a portable pension between the sectors will enable us to deliver these strategies. Currently, there are 155,000 members with 333 health care organizations—the LHIN being one of those, which is not a direct health care service provider, I might add—who have the HOOPP pension. If CHCs could join the HOOPP pension, you could transfer the services to the community, and acute care people, CCAC people, would come to the community to work because the pension would be transferable. That is key in delivering these diabetes initiatives. Otherwise, there's going to be nobody in the community to work.

So the gap and what it would all cost—there's a little chart: \$11 million. It seems like a lot but in the big picture it isn't. That goes through 2009-10, 2010-11 and 2012. For us, it would mean increasing our benefits envelope from 20% to 22.5%, increasing the AHAC funding by the same amount, and the diabetes strategy money from the ministry is another pot of money that would require this HOOPP benefits funding.

My last slide is of a bridge which shows that by putting the HOOPP pension in place for CHCs, we would be able to and we're willing and wanting to deliver our mandate to all Ontarians. Many of our disadvantaged and vulnerable populations are utilizing emergency rooms and other parts of the social health system.

I have a picture at the back here. This is the Blue Water Bridge. This is where I come from, so that kind of ties the bridging of the gap together. I've also included in your package a quote from David Williams, who was stepping in for the medical officer of health. I just want to read this quickly to you because this describes what we do: "Root causes of illness are poverty, isolation and hopelessness. Poverty means more than a lack of money. Poverty and poorness are not the same. Poverty is much harsher. It is a disconnected place from where there is no escape.

"People can move from poorness to independence or deeper into poverty. When community supports are there, they have a much better chance of staying out of debilitating poverty." That's what CHCs do: We keep those people from going over the edge.

I thank you for your time and would like to answer any questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation. I will now turn it over to Mrs. Julia Munro. The official opposition will be asking questions.

Mrs. Julia Munro: Thank you very much for bringing us something that I think many of us know, but

you've certainly done a great job of producing it graphically. I know that there are similar kinds of inequities in, for instance, the difference between children's mental health and adult mental health. Again, it's the same kind of professional requirement but a big difference in salaries.

The question that I would like to ask you is about the problem of what you identify here in terms of retention. It would seem to me that one method of demonstrating this need would be to show that when you aren't able to maintain a retention level, there are greater costs involved. I just wonder whether or not, in making the pitch, so to speak, to government, that has been part of your analysis. If you have someone who stays—and I'm guessing—18 months, 24 months, obviously there's a cost to that person's training and integration into your system. How much does it cost them to start again with someone in another 18 or 24 months? Do you have any sense of that?

Ms. Kathy Bresett: I don't have those numbers, but we could do that analysis. But it is becoming more and more frequent in the urban areas in particular. In the rural area I'm a good employer, I have many retention strategies to keep people and it's the culture of our workplace that keeps people; it's certainly not the funding. But in the urban centres the turnover rates are high, and like you say, orientation and recruitment is ongoing. So we could bring those numbers together. But that's a very good suggestion, to illustrate the current turnover rate and the vacancy rate in the province in those key positions.

1310

Overall, we recently did a Hay study report—we're 30% underpaid compared to the acute care sector or CCACs and whatnot, and that includes our physicians. So the whole bunch of us are under. You ask yourself: Why are those providers who are working with the most vulnerable and disadvantaged in society any less worthy of the same salary and benefits?

Mrs. Julia Munro: I understand that. I actually have one CHC in my riding, which I'm very pleased to have. It speaks to the point you made a moment ago about the fact that in a more rural setting there are other factors that would allow for a better percentage of retention—but certainly not in the urban.

The other question I had that's related to this is, these people—let's say the RNs, for instance: What kind of support have they from their own professional voice in terms of trying to help address this imbalance?

Ms. Kathy Bresett: Another good question. Many of the hospitals, the LHINs and the CCACs really don't understand what the CHC model is all about and that community nursing role and how that collaborative role is involved, even within their own professional organizations. We do have members on the nurse practitioners' executive and whatnot trying to educate people. They're constantly trying to get them to understand the whole model. So there's work that has been done—more work, for sure, to educate everyone on what the CHCs do.

Just to note, with the costs of acute care hospital funding mounting every day and the system just about ready to break—more downloading and transferring to the community for services to keep people there. We've got 90-year-old people who can't drive anymore. We've got First Nations and other farm families who don't have cars. So community services are key to good health. The social determinants of health deal with 50% of what's wrong with people. Only 25% of things that are wrong with people are medical. So if all the money is poured into the medical side and not the health promotion and prevention side, we're not going to make a dent in what needs to be done, and by the time I'm 70 years old there's not going to be too much left if we don't shift it to that preventive model.

The Vice-Chair (Mrs. Laura Albanese): The time has expired. Thank you very much for your submission this afternoon.

GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE

The Vice-Chair (Mrs. Laura Albanese): I would now call on the Greater Kitchener Waterloo Chamber of Commerce. You will have 10 minutes for your presentation, and that will be followed by up to five minutes of questioning. This rotation will go to the NDP. Please identify yourself for the purposes of Hansard, and right after that, you may begin.

Mr. Art Sinclair: My name is Art Sinclair. I am a vice-president with the Greater Kitchener Waterloo Chamber of Commerce.

Thank you very much, Madam Chair and committee members, for the invitation to present our recommendations for the 2010 Ontario budget. This is something we've done for the past number of years, and we appreciate the opportunity to advance not only the interests of the Waterloo region business community, but the community at large of Waterloo region that we serve.

Prior to my recommendations for this year's budget, there are two issues that I'd like to bring forward. They're essentially good-news developments from our past submissions that have been acted on by the government.

For the past two years, one of our major recommendations has been to ask for a review of the Ministry of Health and Long-Term Care's underserved area program for the recruitment of family physicians. We in Kitchener-Waterloo have been in an unusual position, where we have had a designation as an underserved community, we lost it, we got it back, and then lost it again. After a series of discussions with the ministry, we felt that the solution was to ask for a review of the program and look for something more appropriate to serve the interests of the entire province. So we were quite pleased in June of this year when former Minister Caplan announced that the ministry would be undertaking a review of this particular program. We were fortunate to have a stakeholder discussion in Kitchener

with David Oraziotti, your colleague the MPP for Sault Ste. Marie, and I'm sure a number of rural members here at this table had consultations and discussions with stakeholders in their communities about this important initiative. So, again, we thank the government for moving forward on this.

The ministry released a discussion paper subsequent to the announcement of the review, outlining a proposal for reform of the system. One of the major recommendations was to allow communities outside the GTA and Ottawa the freedom to recruit return-of-service physicians. Of course, as a non-designated area, we can't do that now; under the recommended proposal from the ministry, we could. So we are very much supportive of the direction that the Ministry of Health and Long-Term Care is proposing on this initiative.

The second item that I'd like to bring forward, and again this is thanks to the government: In the last year, Conestoga College and the two universities, the University of Waterloo and Wilfrid Laurier, have received some considerable funding from the federal government through the knowledge infrastructure program—the KIP—and the 2009 Ontario budget. Again, that is very beneficial for employers across our community. Conestoga College, I believe, has received almost \$72 million from both the federal and provincial governments, and that will help them significantly in expanding their training capacity in all their portfolios. As employers, we feel that having that institutional capacity here in Waterloo region will aid them going forward.

Conestoga has had a remarkable record in connecting with the community, with their employers, both public and private, working with them on identifying workforce needs for now and going forward into the future. We've benefited from that and certainly from that funding from the provincial and federal governments, plus Conestoga is doing some significant institutional fundraising. That's a significant benefit for employers and the community at large, so that's a positive development as well.

Our major recommendation for this year relates to something that came out of some ongoing discussions we've had with local manufacturers in Waterloo region. A number of them have pointed out to us at the chamber that if they look at the makeup of the provincial cabinet right now, there is a Minister of Agriculture, there's a Minister of Northern Development, Mines and Forestry—of course, the forestry portfolio was just added this past summer—and there is a Minister of Tourism. Of course, in Waterloo region we have a significant manufacturing base; approximately one out of every four jobs in Waterloo region is in manufacturing. So the proposal that was brought forward to us by a number of manufacturers is, why is there not a provincial ministry of manufacturing? I think the interest in this particular proposal is in having an advocate, an individual at the cabinet table to advance the interests of the manufacturing industry. That is why we're bringing that forward for consideration at this point in time. As I mentioned before, there are a number of other industries in the province that

have a stand-alone minister at the cabinet table, so we think, because of the importance of the manufacturing sector to the provincial economy, that this would be something that the province should consider in the future: a separate stand-alone ministry of manufacturing.

Our second recommendation is a follow-up to some announcements that were made in the past by the government. This past June, the Waterloo regional council voted to proceed with a light-rail transit system for Waterloo region for the cities of Kitchener, Waterloo and Cambridge. Again, that decision was based on significant commitments from the provincial government for funding. In the 2007 provincial budget document, Minister Sorbara made a commitment to provide one third provincial funding for the cost of a light-rail transit system for Waterloo region. Subsequent to that, MPP John Milloy, prior to his appointment to cabinet—this would have been June 2007—made an announcement saying that the province would provide two-thirds funding to the project. So again, we are, I guess, waiting for that commitment. I think it's a regional priority and a local priority that we move forward on this initiative so that we have the proper planning structures and infrastructure in place to ensure that growth is uniform over the next number of years, because we are, according to the Ministry of Infrastructure, going to experience significant growth across Waterloo region.

Again, thank you very much for the opportunity to present today. I would welcome any questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation. Mr. Prue, you may begin your questions.

Mr. Michael Prue: You have a number of recommendations here that you haven't touched on, and perhaps I should ask you: You're asking for additional funding for post-secondary education. We have had a number of people talking about that today. It conceivably could cost a lot of money, depending on what the government intends to do. Currently in Ontario, we have the lowest per capita funding of any province; our students pay the highest tuition fees. It's very difficult for many of them to go to school. Are you asking that we fund more and reduce the fees?

1320

Mr. Art Sinclair: I mentioned the Task Force on Competitiveness, Productivity and Economic progress from Mr. Milway, Roger Martin and their organization, the Institute for Competitiveness and Prosperity. Of course, for a number of years in their annual report they have emphasized the requirement to heavily invest in post-secondary education. However, they recognized that this year, with the constraints on government with respect to the deficit and other pressures, that may be difficult. They've taken the position that, in fact, the government should maintain that priority on post-secondary education. I think we're probably looking at it within the framework of the government announcing in the fall economic statement that they would be doing a significant review of all programs and expenditures. Within that

framework, we would advocate, and I guess this is the recommendation from the institute as well, that post-secondary education remain a priority moving forward.

Mr. Michael Prue: Okay. So that means that you would agree that the government should continue to fund it or fund it more in the future?

Mr. Art Sinclair: Sure. As I mentioned earlier, we have benefited from some significant infrastructure investments over the past year. Again, it's quite beneficial for us to see both the province and the federal government working together funding these projects and leveraging that private sector investment as well, because Conestoga College right now has undertaken a significant fundraising campaign to generate funds in addition to the money they've received through the KIP program and the provincial government as well.

Mr. Michael Prue: You made a recommendation I've never seen from a chamber of commerce, a board of trade or anything like that before, dealing with native land claims. This seems to be way outside the realm, and I wonder what made you do this. First of all, most of the native land claims are federal responsibility, save and except that Ontario is a signatory to Treaty 9 and Treaty 7 in far northern Ontario. But most of the ones in southern Ontario are federal. I'm just wondering what made you think that this was—

Mr. Art Sinclair: Well, obviously, there was an interest within a lot of our stakeholders in the community, but as I mentioned in the submission, there was a resolution passed at the annual general meeting this past year in Victoria, BC, of the Canadian Chamber of Commerce. Essentially, this is the recommendation from the Canadian Chamber of Commerce; this is Canadian Chamber of Commerce policy.

Mr. Michael Prue: Okay. So that's not necessarily coming from Kitchener-Waterloo; you're just passing this on?

Mr. Art Sinclair: Yes, I guess; sure. But there's certainly been some interest among our membership in seeing a lot of these issues resolved moving forward. We're part of the Canadian chamber; we're part of the Ontario chamber. This is Canadian Chamber of Commerce policy. This was a resolution that was presented by a chamber of commerce in Ontario. It was voted on by all chambers across Canada at the annual general meeting. It's now Canadian chamber policy. Certainly there is a component in that recommendation that involves the province and the federal government moving forward and trying to resolve these claims. It's a pretty tight time frame; it's 2020. I think everybody recognizes that as being pretty ambitious. But that was agreed upon as, I guess, reasonable at the annual general meeting this past fall of the Canadian Chamber of Commerce in Victoria, British Columbia.

Mr. Michael Prue: There's still time?

The Vice-Chair (Mrs. Laura Albanese): One minute.

Mr. Michael Prue: One minute. Okay.

You appear to be, looking at the economic situation, a little bit happier with it. You wrote here, "On a positive

note, the TD Financial Group, in a November 3, 2009, report, projected that after a significant real GDP contraction of 3.3% in 2009, an increase of 2.7% is anticipated in 2010." Most of the recent things that I've seen in the last couple of weeks are downplaying that. They are saying this is going to be a protracted period before we go—do you disagree with that?

Mr. Art Sinclair: I think we're seeing a lot of positive developments. I've tried to highlight some positive developments here: the third shift at the CAMI plant in Ingersoll, the second shift at Toyota, I guess the new shift for the Buick Regal at the Oshawa plant. That's going to have a significant impact across southwestern Ontario. The Automotive Parts Manufacturers' Association has indicated that their membership sees a lot of positive developments for the coming year. That's good news for us in Waterloo region; we're a manufacturing economy.

The Vice-Chair (Mrs. Laura Albanese): Thank you. Sorry; your time has expired.

Mr. Art Sinclair: Thank you very much.

ONTARIO ASSOCIATION OF OPTOMETRISTS

The Vice-Chair (Mrs. Laura Albanese): Now we call on the Ontario Association of Optometrists. You will have up to 10 minutes for your presentation. That will be followed by up to five minutes of questioning, and this rotation will go to the government side. Please state your name before you begin, for the purposes of our recording Hansard.

Dr. John Mastronardi: Thank you, Madam Chair. My name is Dr. John Mastronardi. I'm an optometrist practising and living in Windsor. I am the current president of the Ontario Association of Optometrists, a group representing 80% of the optometrists in Ontario. I'm pleased, as both a leader and a grassroots health care provider, to lend input to these 2010 pre-budget consultations.

Within the next couple of years, it's projected that health care spending will exceed 50% of the fiscal budget, and we have the beginning of our baby boomers entering their senior lives. Also, the number of citizens being diagnosed with type 2 diabetes is expected to continue to skyrocket.

We believe that this impending financial health care strain will require the government to continue to make decisions to spend smarter in health care so that we can get best value for our dollars while achieving optimal patient outcomes.

Vision services required by our aging population and diabetic citizens are expected to grow accordingly. New research by the CNIB, just put out last year, and the Canadian Ophthalmological Society placed the total costs of vision loss in Canada at \$15.8 billion per year. This includes \$8.6 billion in direct health care costs and \$7.2 billion in indirect costs. Governments are bearing about 55% of those costs, including \$6.3 billion paid out by

provincial governments, largely as health system expenditures.

Prevention of blindness and preservation of vision are priorities for Ontario optometrists. Comprehensive eye examinations play a crucial role in early detection and diagnosis of sight-threatening disease and, ultimately, control of costs associated with irreparable vision loss.

OAO would like to recognize the efforts made by this government to invest in eye care services that millions of Ontarians rely on each year. OAO also would like to commend this government for its ongoing commitment to education in health care. With this in mind, OAO is putting forward pre-budget advice that aims to help the government build on the progress it has made in primary care and work towards its commitment to improving patient care and outcomes.

I'd like to focus on three recommendations. Number one is that the government continue to work proactively with the association to incorporate optometric services as part of a comprehensive diabetes strategy. In the decade between 1995 and 2005, the prevalence of diabetes in Ontario increased by 70%, and we're expected to hit 1.2 million this year.

Diabetes and its complications drive a substantial portion of medical resource utilization. While family physicians are vital in working with patients to control diabetes, preventive eye care services provided by optometrists preserve sight and help minimize the costs of future health care services.

Within 20 years of onset, the majority of patients with diabetes will develop diabetic retinopathy, the leading cause of blindness among Canadians between ages 30 and 69.

In October 2009, in co-operation with the Ontario Medical Association's section of ophthalmology, the OAO developed guidelines for collaborative management of persons with diabetes by eye care professionals. The document recognizes the pivotal role that optometrists play and, when fully implemented, has the potential to realize substantial health care savings.

Currently, a majority of family physicians in Ontario refer their patients with diabetes for annual vision assessments to ophthalmologists instead of optometrists, costing the system a 55% premium. In Ontario there's one optometrist for every 8,600 residents, compared to one ophthalmologist for every 32,000 residents. We are also present in about 220 towns and cities across the province, making our services very accessible.

This newly developed collaborative guideline encourages physicians to refer diabetic patients directly to optometrists, who will then monitor these patients annually and, at the appropriate time, refer only those in need of treatment to an ophthalmologist. This collaborative model of triaging allows for optimal patient accessibility to eye care resources in a cost-effective manner.

Optometrists must be a critical component of any comprehensive strategy aimed at addressing the impacts of diabetes and managing the growing epidemic.

Given the Ontario government's commitment to developing a comprehensive diabetes strategy, OAO is

calling for the government to provide additional funding to meet this demand and ensure that optometric services remain available to those in need.

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Second, we'd like to discuss a recommendation for the government to extend optometrists' scope of practice, including prescribing therapeutic agents. This issue has been going on for a number of years. We feel we're getting close, but we're not quite there yet. We'd like to thank the government in 2007 for changing our act to allow optometrists to prescribe medication to treat eye disease and conditions. The decision to expand the role of optometrists will assist the government in realizing cost savings by enabling Ontarians to seek treatment from highly qualified, lower-cost, health care providers for a variety of conditions, including conjunctivitis, iritis and glaucoma.

I'd like to give an example to illustrate the ineffective utilization of health care spending and how, hopefully, these changes will help rectify that. Currently, if a patient comes into my office with an eye infection seeking treatment, I cannot write them a prescription for the required antibiotic drops. I must either refer them directly to an ophthalmologist, if one is available—costing the system an additional 150% in costs—or to a family physician, who will then refer to an ophthalmologist, costing the system an additional 200% increase in costs, or refer directly to the emergency room, costing the system a 500% increase, assuming they receive the proper care.

Unfortunately, the regulations which would enable optometrists to issue prescriptions for drug treatments have not yet been passed in Ontario, and we remain the last jurisdiction in North America to not have these privileges. So OAO is calling on the government to fulfill its promise to extend the legislated scope of practice of Ontario's optometrists to prescribe therapeutic pharmaceutical agents by expeditiously reviewing and approving proposed draft regulations.

Last, our third request is that the government ensure patient access to primary eye care services. We're doing our part to help the government move out of deficit. In November, we agreed, with a couple of important exceptions, to the government's requests to defer negotiations on new funding for OHIP-insured services, as our current agreement is set to expire March 31, 2010.

I'd like to take the opportunity to discuss the important exceptions, though. Even as the government has promised increased access to eye care services by extending our scope and allowing us to prescribe, policy decisions are being made that undermine these efforts, funneling patients back to higher-cost providers. In the area of primary eye care, there are examples of services which, when provided by an ophthalmologist, are publicly insured. However, when provided by an optometrist, they're not. By making this decision in 2009 to fund optical coherence tomography, OCT, when performed by ophthalmologists, the government has made this level of diagnostic testing for monitoring

diseases such as glaucoma and macular degeneration the standard of care. By eventually giving us the regulations to treat glaucoma but not the funding for the standard-of-care procedures, the time, effort and years that went into getting new regulations in place would yield very little change in reducing wait times and saving government money.

Further, in 2008, the government insured low-vision assessments and services for the visually impaired only when provided by ophthalmologists, in spite of the fact that optometrists provide the majority of these services. This inequitable funding of treatment and services creates a two-tier system where patients are required to pay in order to access care in a timely manner or be sent to a higher-cost provider.

So the OAO believes that the Ministry of Health should review all publicly insured eye care services provided by physicians and optometrists and ensure that equitable reimbursement conditions exist for those services offered by both professions, in the interest of providing better public health care services to Ontarians, particularly in rural and northern parts of the province. Broadening the provider pool would not increase the number of services required by Ontarians; however, it would ensure that care, necessary to save vision and maximize eyesight, is accessible to all Ontarians.

The Ontario Association of Optometrists is calling on the Ontario government to work to ensure that health care policy decisions are made in the best interests of Ontario patients and to fund health care service, not the provider.

I thank you again for this opportunity to speak here today, and I'd welcome to field any questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your submission. I will now turn it over to Mr. Ramal.

Mr. Khalil Ramal: My first question: How come you're not wearing glasses? I'm only joking.

Dr. John Mastronardi: I've had laser eye surgery.

Mr. Khalil Ramal: Thank you very much for your presentation. I think you guys do an excellent job across the province of Ontario. I've attended many sessions of your organization that have educated me on the need for your service in the province of Ontario.

But this is my question here: You talk about optometrists and ophthalmologists—there's a difference between both of them. Your organization fought very hard to protect the boundary—when the opticians tried to enter your boundary, you fought very hard. How do you expect ophthalmologists to accept your taking their boundary? As you know, every different specialization has a certain area to service. So how can you justify your actions to pass that area?

Dr. John Mastronardi: We do have the training; it's been well documented and proven that we have the training for this. And we have, as I mentioned earlier, accessibility, with optometrists spread throughout the province, and we don't have that same spread of ophthalmology. So we have many members who don't have

access to ophthalmology to make referrals for a patient who comes in with something as simple as conjunctivitis.

Mr. Khalil Ramal: You're saying that the education would be similar? It's the same thing? There's no difference between the ophthalmologist and the optometrist?

Dr. John Mastronardi: In terms of training for pharmaceutical treatment, it is actually very similar. The overall programs go different routes, but the actual pharmaceutical background is very similar.

Mr. Khalil Ramal: You don't think this issue should be discussed and debated and be agreed on within the medical profession instead of the government?

Dr. John Mastronardi: It has been for years, and that's why we are the last jurisdiction in North America to not have these privileges. Optometrists are allowed to prescribe everywhere in North America.

The only school for optometry is the University of Waterloo. It is in Ontario where this training occurs. There are no other schools where optometry is taught in English. There's a school in Montreal. So the training occurs there and the optometrists are sent throughout the country, where they can utilize their education. So there's no difference in optometry training or education in other provinces. They're all trained in Ontario.

Mr. Khalil Ramal: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for that. That concludes our time.

CHRISTIAN FARMERS FEDERATION OF ONTARIO

The Vice-Chair (Mrs. Laura Albanese): I will now call on the Christian Farmers Federation of Ontario. Please come forward. You will have up to 10 minutes for your presentation. That will be followed by up to five minutes of questions by the official opposition in this rotation. Please state your name for the purposes of our Hansard recording, and after that, you may begin any time.

Mr. Henry Stevens: Thank you, Madam Chair. My name is Henry Stevens, and I'm the president of the Christian Farmers Federation of Ontario. With me today is John Clement, our general manager.

Good afternoon, ladies and gentlemen. The Christian Farmers Federation, as some of you may know—I recognize some rural faces around the table here—is the second-largest general farm organization representing farmers in Ontario. We represent approximately 4,300 farm families right across the province, from east to west and north to south.

We want to thank the standing committee for allowing us a few moments to share our thoughts on where the provincial government should be focusing its finances in the year ahead. While we recognize that this is not a year where new spending initiatives should be undertaken lightly, there is at least one program that farmers in this province need today, and several areas where it is critical that your government's support be maintained.

I want to talk first about the new business risk management program for agriculture that has been developed and has been sent on to the minister within the past week. The most critical need for agriculture at this time is provincial funding for a business risk program that is based around the cost of production for all non-supply managed sectors of agriculture. Primary agriculture is the foundation of arguably the largest and most important private sector industry in this province. Many facets of that foundation are on the verge of collapsing after years of loss and a suite of current support programs that cannot help with a sustained downturn such as we've experienced in the last number of years.

It is critical for our government to recognize just how many other industries benefit from a healthy primary agricultural sector and the sheer number of jobs that could be impacted.

First, there is the supporting infrastructure that enables farmers to do their business. A few examples of these are the feed mills, the equipment dealerships, the fertilizer suppliers, a substantial portion of the trucking industry as well as the banking institutions that supply capital to our farmers. These service industries all translate into jobs for Ontario citizens.

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The processing and further processing sectors in this province also provide a substantial number of urban jobs that help keep our cities prosperous.

Ontario has built one of the largest and best further processing clusters in North America. This important sector is threatened when farmers cannot supply these clusters due to high input costs that cannot always be recovered from the marketplace.

We need to ensure that processing facilities are kept in Ontario and don't migrate to areas where the remaining farmers are located. Failing to maintain the underpinning primary production that is the basis for the food processing sector could lead to the long-term loss of thousands of jobs for both rural and urban residents.

We would ask that our provincial government step forward and provide the leadership and support that our agriculture industries need to thrive in the coming years. We truly believe that a healthy primary agriculture system will result in a healthy and prosperous Ontario.

The Christian Farmers Federation of Ontario is very appreciative of government funding from both the federal and provincial coffers that has allowed some of Ontario's processing plants to make improvements to their facilities. This cost-shared investment approach is vital to keeping our processing sector on the cutting edge and viable in the long term. The CFFO wants to encourage our government to maintain this level of support moving forward.

The Christian Farmers Federation of Ontario also appreciates that funding was made available to producers on environmental and food traceability initiatives through the federal-provincial joint funding under Growing Forward. The Canada-Ontario environmental farm plan and the food safety and traceability initiatives are two

strong examples of the government providing incentives and support for meeting Ontario's needs. In 2009, these programs were quickly subscribed.

Maintaining support for these programs is critical for Ontario's farmers. However, the food safety and traceability initiative would provide a greater boost for farmers if additional funding were allocated. Alternatively, the funds allocated for 2011 or 2012 for this project could be advanced to 2010, as pressure from other parts of the supply chain have made this a critical issue for the coming year.

The CFFO also recognizes that in a time of high government deficits, cost cutting will come into play somewhere down the line, but we would hope that the provincial government does not turn its eye towards cutting back on the support of—or necessarily the total number of—rural schools and hospitals and other rural infrastructure that is so vital to our communities. It is critical that we recognize that rural is different from urban, and the same rules should not be applied to one as to the other. In rural communities, our institutions are often the heart of the community and have an overriding importance in our lives.

Thank you. I would be open to questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation. Mr. Arnott, you may go ahead.

Mr. Ted Arnott: Thank you, Mr. Stevens, for your outstanding presentation. As always, Christian Farmers has offered a very thoughtful, constructive presentation for the consideration of this committee, and we do appreciate it.

I know my colleagues have questions as well, and I'll turn over the microphone at this point to my colleague from Haldimand-Norfolk, Mr. Barrett.

Mr. Toby Barrett: Thank you for the presentation from the Christian Farmers. Just looking at the first subtitle here, "A New Business Risk Management Program for Agriculture"—I know so many meetings have been going on recently. I've certainly been attending grains and oilseeds meetings and meetings with cattlemen, and risk management seems to dominate the discussion. Are the Christian Farmers part of those meetings—

Mr. Henry Stevens: Yes, we were.

Mr. Toby Barrett: Okay, good. You seem to have two parallel problems. We know the three-year pilot has wrapped up for cash-crop fellows, and there doesn't seem to be a guarantee, certainly not from the most recently past Minister of Agriculture, as far as either extending the risk management program for grains and oilseeds or making it permanent. The issue has been raised of the federal government putting in a 60% share for what they refer to as a companion program. Any thoughts on how we can get around this or where things are heading?

Mr. Henry Stevens: It would certainly be good if we could get the federal government to come onside and provide their 60% funding, which, as you mentioned, they did not do for the grains and oilseeds pilot project either. We have made a commitment to—initially it was

Minister Dombrowsky, but with the change last week, it was addressed to Minister Mitchell that we are committed to helping her pressure the federal government to come onside with this. I'm not optimistic that the feds will come onside at this time, but we're certainly going to pressure them to. If the feds do not come onside, we are certainly going to hold the province to its responsibilities in terms of supporting agriculture in this province.

Mr. Toby Barrett: I understand that on that pilot, the federal government made it clear, I guess more than three years ago, that they wouldn't be funding any companion programs across the country.

Also, when I attend cattlemen's meetings—tough times there, as with hogs and many of our horticultural crops—again, their goal is a risk management program, I am assuming, somewhat modelled on the cash crop three-year pilot. Could you comment on that as well? There's no question in my mind, with what we've seen with the hog industry and the cattle industry, that we've got to have something. There has to be some stability there, to be able to plan. We know which way the costs of production go; it's usually up. Any comments as far as those commodities?

Mr. Henry Stevens: As I mentioned earlier, this program is intended for all non-supply-managed sectors in agriculture. For those of you who are not sure of that, supply-managed sectors are the dairy and the feather industries, which have their quotas and their border protections, so they have a built-in cost of production there. The other sectors, like pork and beef and horticulture and veal and sheep and others, do not have any kind of cost of production built into their pricing system, and they cannot get it out of the marketplace as a result.

So, definitely, the parameters of the program we're talking about are designed for all of those sectors, to be able to benefit from it. Each sector, on its own, will have a different methodology for arriving at their cost of production and the benefits out of the program. But the general guidelines are intended for everybody to be part of the program.

The Vice-Chair (Mrs. Laura Albanese): Thirty seconds left.

Mrs. Julia Munro: Two issues: one, with regard to the processing sector. You say here, "on the cutting edge and viable in the long term." Are there issues around regulatory burden and the issue of critical mass? Do either of those come into play on this particular topic?

Mr. Henry Stevens: Regulatory burdens have definitely played a role in the loss of small processing facilities, small abattoirs, around the province over the last number of years, simply because the small abattoirs cannot afford to make the changes that CFIA and the health departments have forced on them to stay in business. So they've shut the doors. It has really hurt us in rural Ontario.

The Vice-Chair (Mrs. Laura Albanese): Sorry, the time has expired. I thank you for your submission.

FEDERATION OF THE SISTERS OF ST. JOSEPH OF CANADA

The Vice-Chair (Mrs. Laura Albanese): I would now ask the Canadian federation of Sisters of St. Joseph to come forward for their presentation. You will have 10 minutes for that, followed by up to five minutes of questioning. The questioning will go to the NDP on this rotation. Please identify yourself before you start for the purposes of our Hansard recording. You may begin.

Sister Sue Wilson: Good afternoon. I'm Sue Wilson. I am very pleased to be able to present on behalf of the Canadian federation of Sisters of St. Joseph. We evaluate public policy from the perspective of Christian faith, which means that we're paying particular attention to the values that are expressed in these policies.

With regard to the upcoming budget, we're looking for budget decision-making that reflects values of solidarity, hope and a heightened concern for people living in poverty. We believe that attentiveness to such values is critical for growing strong, resilient communities.

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Food banks report that over the past year, there has been a sharp increase in the number of Ontarians who need to access food banks just to get by. On average, these households are spending 65% of their income on shelter and utilities and they're foregoing necessary medical and dental care.

Now, I don't know about you, but I can't imagine how I would be productive in such circumstances, and so I really wasn't all that surprised when I saw a Nate Laurie study on the cost of poverty. He concluded that the estimated social cost of poverty in Ontario is \$11.8 billion per year, and that figure goes much higher when private costs of poverty are included.

Eliminating poverty is not only a moral imperative, it makes good economic sense. And so the first point I'd like to make with regard to the deficit is that a strong poverty reduction strategy both supports and complements the government's efforts to move out of deficit.

Now I'd like to comment on some aspects of Bill 218, just as a way of highlighting some poverty-related concerns. In general, we were pleased to see that the government has designed the new tax package in a way that protects the interests of Ontarians who live on low incomes. Even so, it would have been preferable if HST offsets had been weighted more heavily toward tax credits rather than combining them with income tax reductions. Since property and sales tax credits are designed in a way that benefits lower-income taxpayers, we recommend that the government consider increasing the refundable sales and property tax credits as a means of working toward Ontario's poverty reduction goals.

On the other hand, personal income tax reductions are problematic because the benefits increase as income rises, and because those with incomes too low to pay income tax don't even benefit from the reductions in tax brackets and rates.

Personal income tax reductions also undermine the government's capacity to create the strong public ser-

vices that are foundational for sustainable communities. High-income earners don't need the benefits of these reductions. Instead, if that money stayed in government purses, it could go toward very necessary coverage of dental care, prescription drugs and vision care for those who don't have jobs that provide extended health insurance. Likewise, further investment is needed in child care, social assistance and affordable housing strategy, to name just a few areas.

Rather than a reduction in tax brackets and rates, the government could have chosen to use refundable income tax credits. Because these are typically of fixed value, they're of more benefit to those on low incomes, and if they're refundable, they're paid to those with no taxable incomes.

It's also problematic that the HST offsets are all delivered through the tax system, since then they're available only to those who file tax returns. This makes it very important that the government support an outreach initiative through community-based agencies to ensure maximum participation for people with low incomes and others who may tend not to file tax returns.

In addition, it will be very important that the government monitor the overall impact of this tax package on low- and modest-income households to ensure that they are indeed having the anticipated effects.

While we appreciate the government's desire to increase job creation in Ontario, we question whether the corporate income tax rate cut is the best vehicle for this. These rate cuts are not directly tied to job creation and in many instances may not contribute to job creation.

One of the problems over the last two decades is that increased corporate profits often did not translate into increased investments back into the business for expansion and job growth.

Finally, we want to end on a note to emphasize that to us it seems very important that governments do not participate in spreading the cultural message that taxes are a negative reality. As you know, taxes enable us to create important public goods which benefit all of us—goods ranging from health care to education and training, recreation and public transit. We need to focus more cultural attention here.

In summary, it seems to us that we have a choice: We can invest now to create strong, resilient and sustainable communities, or we can continue to pay the very high social costs of poverty and unsustainable living patterns. It seems to me that if we focus on what is good for Ontario communities as a whole, in the long term, we will choose a strong focus on eliminating poverty.

Thank you again for this opportunity, and I welcome any questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for appearing before the committee this afternoon. I would now turn it over to the government side.

Mr. Kevin Daniel Flynn: It's Mike's turn.

The Vice-Chair (Mrs. Laura Albanese): I'm sorry. My mistake.

Mr. Michael Prue: I'm still here.

The Vice-Chair (Mrs. Laura Albanese): You're right. My mistake.

Mr. Michael Prue: I've been crowded out here a little.

The Vice-Chair (Mrs. Laura Albanese): Mr. Prue, you may proceed.

Mr. Michael Prue: Thank you. You didn't touch on this in your presentation, but I had an opportunity to read it very quickly before you sat down. The HST may be problematic—and you didn't say anything—in terms of First Nations communities. They currently are exempt from PST if they live on reserve, but they will not be exempt when HST comes in. So literally everything that they buy is going up 8%, and they are amongst our poorest people, particularly those in isolated northern communities. What should the government be doing about this?

Sister Sue Wilson: Well, that's one of the groups that I was alluding to when I made the point that, really, using the tax vehicle is not the best way to be getting money back into the hands of people. We would prefer to see credits that will go to folks who are not paying income tax. What exactly those vehicles are, I would leave to the government to decide, but the income tax vehicles don't seem to be the most effective for people who are marginalized, who are already living in poverty.

Mr. Michael Prue: I do know, unfortunately, that a great many First Nations people living in isolated communities don't file income tax in the first place. We also have huge swaths of people who do not file income tax too. I'm thinking here about illegal immigrants and others—

Sister Sue Wilson: Exactly—people who live on the street, people who live in shelters.

Mr. Michael Prue: So the cost of the HST will be borne in its entirety by them, because there's no vehicle to get them money back. What should the government do in these cases? Obviously, they want to do it by income tax; that's not going to work. Is there anything else? You have suggested that it's not going to work and you're right, but what can they do? Do you have a solution for them?

Sister Sue Wilson: I don't have a particular solution. The point I would want to make is that the income tax route is not the best route to go.

Mr. Michael Prue: Other provinces chose other things. In the east coast, they reduced the provincial portion when they combined them by 3%, so that that was borne more or less equally. But again, these kinds of taxes aren't fair. They're not like income tax: They're not graduated. They're harsher on the poor.

Sister Sue Wilson: Exactly.

Mr. Michael Prue: Would it be preferable if the government reduced the rate so that at least some people at the real margins of society would get some benefit? I'm just trying to think here. You've made an outstanding point which isn't often heard.

Sister Sue Wilson: Certainly reducing the rate would help. I think it's much better to find vehicles that are

outside of the income tax framework, since that framework itself is one that marginalized groups are not necessarily participating in.

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Mr. Michael Prue: You also said something which we don't often hear: that governments are reluctant to discuss increasing taxes of any kind. They occasionally do, but they would never campaign on that.

Laughter.

Mr. Michael Prue: And it's true, isn't it? You laugh over there, but it's true.

This government made a whole big thing in the last budget about the taxes that were decreased, particularly to business and to others who tend to have more money. Is that the way we should be going, or should we be looking at those who are affluent, or at those organizations, and expecting increased taxes to get the economy moving again and alleviate poverty?

Sister Sue Wilson: I definitely think that the government and all politicians need to be much more attentive to the narratives that they're telling around taxes. I find it quite odd that politicians who have the responsibility of making sure that the common good exists and that we have these shared public goods are always acting as though taxes were a very bad thing. I would encourage you to create a different narrative to help create a vision that the people of Ontario can buy into. In the response to Haiti, we've seen that people are willing to give quite a bit of themselves if they feel that it's for something worthwhile.

The Vice-Chair (Mrs. Laura Albanese): Thank you for appearing before the committee this afternoon.

TOWN OF TILLSONBURG

The Vice-Chair (Mrs. Laura Albanese): I would now call on the town of Tillsonburg and the mayor of Tillsonburg to come forward. Good afternoon. You will have 10 minutes for your presentation. That will be followed by up to five minutes of questioning by the government side. I shall state it before so that we avoid any confusion. If you could please identify yourself for the purposes of Hansard recording, after that you may begin.

Mr. Stephen Molnar: My name is Stephen Molnar. I'm proud to be the mayor of the town of Tillsonburg.

The Vice-Chair (Mrs. Laura Albanese): Go ahead.

Mr. Stephen Molnar: Thank you very much. On behalf of the corporation of the town of Tillsonburg and the 16,000 residents of our community, I wish to express my appreciation for the opportunity to present our thoughts and ideas as part of the 2010 pre-budget consultations. The opportunity to dialogue and confer with our senior partners is most vital as we work together for the benefit of our common constituents. I'm pleased to be joined here today by our new CAO, Ms. Kelley Coulter, and to her left, our director of finance, Mr. Darrell Eddington.

The focus of our presentation today shall be based on three salient points: grant funding stabilization, proactive intergovernmental communications, and economic development and growth. Prior to discussing these salient points, it may prove valuable to provide a very brief economic synopsis and brief summary about our community. I know a number of you have visited Tillsonburg in the past, and I'll bring a little reflection of that back here to your attendance today. We're located in the heart of Ontario's tobacco belt and have been experiencing these impacts related to the decline in the industry for a number of years. Community leadership has focused on greater diversification in recent years, primarily in the automotive sector. Although the loss of the tobacco industry continues to be a significant concern, a number of these other key sectors are now being stressed. The employment losses within the automotive sector have been significant, while tourism has also been negatively impacted by the strength of the Canadian dollar and high fuel prices.

Based on the most recent statistics, the town of Tillsonburg has experienced greater than 1,000 layoffs in the manufacturing and industrial sector alone. In 2006, Tillsonburg's manufacturing sector accounted for 28% of our total employment versus the provincial average of 14%. This is something that we're proud of and we've built the strength of our community and region upon. In good times, things are good, but in bad times we suffer greatly. These factors have contributed to a regional unemployment rate that peaked at 10.9% in August 2009 and has abated somewhat to 9.8%, which is still roughly one point greater than the provincial average. We are committed to continuing to develop a vibrant local and regional economy, and it is for that reason that I sit here with you today.

The town of Tillsonburg has a legacy of self-sufficiency in operations. We have been recognized as leaders in the introduction and implementation of a responsible asset management plan once referred to by former federal infrastructure minister John Godfrey as "a model for all communities." We have historically reached out with a hand in partnership and not for a handout, requesting specific one-time support. We remain committed to a provincial policy that respects all municipalities and that provides for funding formulas that contain three key ingredients. The message is equity, sustainability and transparency.

The Ontario municipal partnership fund, as an extension of the original CRF, or community reinvestment fund, has been a small portion of our annual financial budget. We have adopted annual business plans that have assisted us to proactively define potential partnerships. To this end, we are continually grateful for the province's commitment.

The town has historically received \$345,000 in OMPF funding, as first introduced in 2005. We were notified, as were all other municipalities in the province, that this isn't stable funding but it will be revised as time goes on.

Our community's budgeting process began in September 2009. I believe this is what a proactive community

does. Our budgets and business plans are focused so that they're adopted as our blueprint in the year prior to when we're going to use that material. That's a responsible business plan. On December 15, the town was notified that effective with the 2010 provincial budget, the additional transitional assistance guarantee would be minimal to 80% of the OMPF allocation. While appreciative of this revenue and respectful of that abatement that has occurred in an entire elimination of the resource, the reduction has altered our projections significantly.

One of the comments off-text is: Communication on a timely basis and to still focus on partnership and responsibility and know that we're in this together, but equity amongst all municipalities, large and small, urban and rural, is a key focus group to understand that we have the capacity to stand on our own when we're given the same balanced approach that all other municipalities in the province have.

As we've stated in other presentations that I've been proud to join with some of the members here present—at Good Roads and at AMO opportunities in the past as well—there are a number of areas surrounding grant funding stabilization that would assist all municipalities. In this area, transparent and stable funding to support proactive solutions for communities with existing environmental risks, such as uncapped wellheads, would be a positive initiative. Just ensuring existing programs are utilized appropriately would represent a significant first step.

For example, not so long ago MNR appreciated the provincial importance for well-capping and provided both financial and technical assistance towards solution implementation. We encourage the analysis of this type of program. We encourage the fact that a program exists, that it's rolled out to those who need it so that we can work in partnership. We, as a community, have demonstrated our opportunity to come to the table with the resources in partnership to satisfy an outstanding situation which we share with the MNR and the natural resources of our region.

In a similar vein, the provincial gas tax initiative has not served small urban municipalities equitably. The program assists the large urban centres in their service delivery model, for which the province should be applauded. I travel to Toronto and the large urban centres and I utilize the transit. I support and endorse the fact that there is a larger part of our provincial dollars that go there because that's driving our economy. A strong, large urban centre, a strong Toronto, drives our economy. But there is a large, significant piece of the small urban environment that requires connectivity. A great part of our transit system is built on our roads and our bridges and on the backs of the men and women who contribute to our communities. So we'd like to see a greater emphasis on equity rolled out to all municipalities, especially for the provincial gas tax, which was introduced, I believe through the Ministry of the Environment, to protect ozone; it got rolled into the Ministry of Transportation.

Our community is one that actually got out of the transit business just at the advent of this new program because it wasn't sustainable. We made a business decision to get out of the business because its impact on taxation was costing around \$70,000.

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If we had now equitable amounts that other municipalities that stayed in the business had, we would have a self-supporting system which actually would have supported two or three of the organizations that have spoken in front of you today who are key partners in that initiative—speaking to Community Living Tillsonburg and People First—to get people around our community.

I'm looking at my own watch, and I'm here to keep you on schedule. I hope you will respect and read all the material that has been provided to your attention today.

The town of Tillsonburg has appreciated the historical support that has come from the provincial government.

I did want to touch upon the values that have been created with your ServiceOntario menu. We encourage expansion of that. Most recently, my exposure to buy-Ontario and the program as it's being rolled out in the hospital, health care and educational format is that there's great value in that, but we need to expand, learn from it and make those things available in the municipal sector so that our common constituents can all share in those values together. It also has to be done from the ground up. It has to be done through communication, through events like today, through real, intensive listening.

I'm going to close very briefly and allow time for questions on our economic growth, because these are the things that we really want to focus on. It's highlighting again—and a lot of the members in this room are aware of that. I recognize and I will officially, in text, recognize the contributions of OMAFRA historically and welcome the new leadership as it's coming along and Madam Dombrowsky for all that she has contributed, and Maria as well, in her time there, and new Minister Mitchell, who has come up through there and done a great job.

OMAFRA have been great supporters of the SCOR initiative, which actually began in the town of Tillsonburg with a group of mayors who were struggling for a way to look outside our borders to find a common ground. MPP Barrett would know this well. It came from the fact that we all collectively have to look beyond our borders and find new opportunities in working in partnership with each other. It came from a small, urban municipality that said, "We can't do this alone, but what we have to be able to do is rebuild that rural economy so that our stores and our downtowns can become strong for that next generation."

The Vice-Chair (Mrs. Laura Albanese): Thank you.

Mr. Stephen Molnar: I want to positively thank and congratulate for those and suggest that we still have much more to do.

As I thank you for your time and I leave you, the final comment that I would make is to promote and enhance that great communication and partnership. I know it's in here. But if we're open for business in the province of

Ontario—and I know we are—I do reference that when we're dealing with C of A's from the Ministry of the Environment—

The Vice-Chair (Mrs. Laura Albanese): Thank you.

Mr. Stephen Molnar: —that something that should take nine weeks—this is just a positive comment that working together, we can get people back to work, assessments started and taxation flowing to the province of Ontario. I do very much appreciate the opportunity to be here today.

The Vice-Chair (Mrs. Laura Albanese): We'll turn it over for questions to MPP Van Bommel, and we'll have four minutes for questions.

Mrs. Maria Van Bommel: Thank you very much, Mayor Molnar. I want to go back to your whole section on economic development, because certainly in rural communities that has been a big challenge, for Tillsonburg especially. I mean, most people, when they think of Tillsonburg, think of Stompin' Tom's song about Tillsonburg and remember your history in tobacco. But since that time, you've also had to reinvent yourselves. You've done that as an individual community, but also, as you say, as part of partnerships with communities surrounding.

I notice in your presentation you talk not only about SCOR but you also talk about SWEA.

Mr. Stephen Molnar: A very key component across southwestern Ontario.

Mrs. Maria Van Bommel: Would you just elaborate a little bit more on SWEA as well and your involvement with SWEA?

Mr. Stephen Molnar: As I look around the room, a number here were at an all-party opportunity hosted by SWEA, Southwest Economic Alliance. London, Sarnia and Windsor were kind of the impetus for that. Mayor Dan Mathieson of Stratford is the current chair. SWEA is an economic development model that has been derived to encompass most of the southwestern Ontario region. It will fit as a complementary economic development model to, say, eastern Ontario, FedNor and some of these other agencies. It's a complement to the work that we do in SCOR on a more regional basis. SCOR actually developed naturally and has been quick. We actually now have the approval of all five counties, as the senior partners, to incorporate. That's just going through the legal channels now. SWEA, I believe, with its support, is wider, more into governance and those things, which I know that you've been involved in and we appreciate your support.

Mrs. Maria Van Bommel: In terms of economic development, a big part for rural communities is becoming the whole issue of broadband and access to broadband. Where is Tillsonburg in respect to that?

Mr. Stephen Molnar: Tillsonburg actually holds international medals regarding information technology. We revised our entire business concept of how to run a community in 2000. It was based on the investment in IT. You'll still see the complement and the financial value of doing that. We're reviewing that to ensure that we remain

atop. We're fully connected, and people like Telus and Rogers and Bell have used our community as business case models for new products in wireless and for land lines. In promoting the region and as we look beyond to the Norfolks, the Elgins and the Brants, what we're looking at is connectivity to ensure that there's seamless transition for economic development, because only when we rejuvenate the rural economy do we absolutely get to bring back those resources into our downtown core to stabilize the things that were drawn out when we lost so much in the last decade.

Mrs. Maria Van Bommel: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Any more? You have 30 seconds.

Mr. Dave Levac: Thirty seconds?

The Vice-Chair (Mrs. Laura Albanese): Yes.

Mr. Dave Levac: I'm glad you mentioned Brant. There you go.

Your Worship, thank you for the work that you're doing. I do acknowledge and thank you for SCOR. There are some good ideas coming out of the organization and some practical applications locally but also at the provincial level. I've made it part of my business as well to make sure that all the ministries are capable of understanding the nuances of the collaborative nature. I congratulate you and thank you for that. I will continue to encourage other areas to do the same. There's got to be a better way to do this. You're inventing some of it, and we appreciate the efforts that you and your whole organization are making to get there.

The Vice-Chair (Mrs. Laura Albanese): Thank you for appearing before the committee.

Mr. Stephen Molnar: And thank you for being patient with me, Madam Chair. When I expanded the font, I didn't think that would take me longer to read. I'm sorry.

ONTARIO AGRICULTURE SUSTAINABILITY COALITION

The Vice-Chair (Mrs. Laura Albanese): Now I call on the Ontario Agriculture Sustainability Coalition. Good afternoon. I'll remind you that you will have 10 minutes for your presentation, and that will be followed by five minutes of questioning by the official opposition. Please state your name into the record for the purposes of our Hansard recording. You may begin.

Ms. Bette Jean Crews: I am Bette Jean Crews, president of the Ontario Federation of Agriculture, and accompanying me is Jason Bent, farm policy researcher.

The Ontario Federation of Agriculture appreciates the opportunity to address the standing committee to outline the priorities of the farm business community in advance of the next Ontario budget.

The OFA is Canada's largest farm organization, representing the interests of over 38,000 farm family businesses. OFA's policy positions are developed and adopted by members through its elected regional and at-large directors that sit on the OFA board of directors. The

OFA also works in partnership with many other Ontario agricultural organizations.

In October 2009, the OFA, along with the Ontario commodity organizations representing the grains and oilseeds, edible horticulture and livestock sectors, came together to form the Ontario Agriculture Sustainability Coalition, OASC, because of a shared concern over the future sustainability of agriculture in the province. The coalition members of OASC have worked hard to assess the business risk management needs of Ontario farmers and developed recommendations to ensure agriculture in the province remains sustainable.

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Before outlining OASC's business risk management recommendations, I would like to comment on the Ministry of Finance's recently released publication entitled Ontario's Long-Term Report on the Economy. It is noted in this publication that "agriculture is important to the Ontario economy and forms the economic backbone of many rural communities." We fully agree with this statement.

The publication also states that there is a "strong base for agri-food expansion." But how strong is this base? There is no question that the economic strength of our agricultural sector has weakened over the past year, and further erosion will occur if left unchecked. The higher Canadian dollar, the global economic slowdown and the new trade barriers stifling Canadian agricultural exports pose challenges to Canadian farmers.

Competition from domestic and international sources is supported by those governments to the detriment of Ontario farmers. Agriculture and Agri-Food Canada's total Ontario farm income forecast for 2009 was a \$143.5-million loss, compared to a \$1.25-billion profit for all Canadian farms. It is clearly evident that Ontario farms are facing some unique challenges.

For instance, Ontario's livestock sector is shrinking at a greater rate than in other provinces. Government policies, while meeting some other policy objectives, have raised Ontario farm production costs. Unfortunately for many food commodities, farmgate prices have not kept pace with cost increases. The reality is that Ontario's local food supply is threatened. Farmers cannot stay in business with negative margins for long, and many are idling their farms or leaving farming altogether. Farmers need a commitment from both the federal government and the Ontario government to secure local food production for Ontario's future. And investment in agriculture is good for the economy and the environment and is a smart, least-cost way of preserving jobs and local services in rural communities.

If provided the right economic stimulus, the agricultural sector can contribute significantly to the financial health of the Ontario economy. History has shown us that government investment in agriculture provides positive dividends for both agriculture and the general population. The right economic stimulus package for agriculture, in our view, should contain both government budgetary expenditures and the government's commitment to work

with the agricultural community to address government policies that negatively affect or impede agriculture.

The Ontario Agriculture Sustainability Coalition has concluded that the current Growing Forward suite of joint federal-provincial agricultural programs, including AgriStability, are flawed and in many ways dysfunctional in helping farmers to cope with the prolonged deterioration in business margins that they have experienced. Reforms to the AgriStability program are needed. OASC's recommended changes are outlined in our document.

OASC, with the technical assistance from Ontario Ministry of Agriculture, Food and Rural Affairs staff, has also developed a premium-based business risk management program proposal that would give farmers the ability to insure against market prices falling below production costs. Farmers need a business risk management program that allows them to cover all or a portion of their costs of production.

Essentially, we are asking that the Ontario government build on the success of the three-year pilot risk management program for the grains and oilseeds sector, by making it a permanent plan under the business risk management program, and to create plans for other commodities under terms and timing that make sense for each commodity. In concert with these reforms to sustain the industry, the current crisis in agriculture must be addressed and stabilized. It will not be acceptable to only improve the prospects of future farmers without helping current farmers to survive. The situation in Ontario's horticulture and livestock industries is quite dire, and implementing these AgriStability reforms and a BRMP retroactively, encompassing 2008 for AgriStability and 2009 for BRMP, is urgently required. This investment is estimated to be valued at \$200 million.

In Canada, agriculture has traditionally been treated as a joint federal-provincial policy area. The Growing Forward policy framework and its predecessor had been funded on a 60-40 federal-provincial basis. OASC believes its proposal should be funded on the traditional formula basis. However, because of the urgent need in Ontario, the provincial government must commit its share of funding regardless of whether the federal government funds the program.

The Vice-Chair (Mrs. Laura Albanese): Pardon me. I just wanted to bring to your attention that you have less than three minutes left for your presentation and I see that you have more than eight pages, so you might want to summarize.

Ms. Bette Jean Crews: Okay.

Our document also highlights other Ontario budget requests, including the Ontario food producer and processor donation tax credit proposed by the Ontario Association of Food Banks, and the need for beginning farmer programs. The OFA believes that providing services and programs specifically designed for young farmers and new entrants to the industry is an important action item, especially considering that according to the 2006 census, the average age among Ontario farmers is 53.

Agricultural research funding would be well spent to research on-farm energy production and development, among other things. The OFA is actively pursuing the development of a biomass industry to meet the deadline for the end of coal in producing electricity. The three-year deadline for the initiation of a biomass fuel industry is short in agronomic terms but one we can meet if we initiate an aggressive process of research and planning. Until agreements are in place, farmers are unlikely to establish perennial crops that are exclusively suitable for biomass production.

Wildlife damage is another critical concern to farmers. Ontario's farmers are facing ever-increasing evidence of damage to crops, livestock and poultry, and property by a range of wildlife. Our document speaks to those concerns. Our document also calls for the development of market mechanisms to compensate farmers for ecological goods and services they provide to society. Farmers provide benefits to the public in providing food safety systems, environmental stewardship initiatives and preservation of the rural landscape. Currently, farmers bear the costs associated with providing these benefits without receiving compensation.

The OFA recognizes the need for fiscal restraint in Ontario. The current global economic downturn potential for negative growth in Ontario has certainly limited the scope of fiscal policy. Circumstances emphasize the need to ensure policies and regulations are smart and harmonized to encourage innovation and maximize economic activity.

The Ontario government must establish a regulatory environment that promotes innovation and profitability in the agricultural sector. Minor revisions to some regulations could go a long way to help farmers. For example, beginning farmers currently can't get a farm business registration. And we would support a change to allow Ontario fruit wine sales at Ontario's farmers' markets. Our document also has a section on property tax assessment issues. We would welcome the opportunity to meet with the government to discuss these ongoing issues.

To conclude, governments need to take immediate action to preserve local food production. Farmers need to be able to make long-term plans if they are to be successful. Investing in agriculture pays dividends. It will grow our economy. Agriculture—

The Vice-Chair (Mrs. Laura Albanese): Thank you. Sorry.

Ms. Bette Jean Crews: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. I will now turn it over to Mr. Barrett for questions.

Mr. Toby Barrett: Mr. Miller first.

The Vice-Chair (Mrs. Laura Albanese): Or Mr. Miller.

Mr. Norm Miller: Thank you for your presentation today. My colleagues have questions as well, but I happened to meet with the Ontario Cattlemen's Association for Nipissing-Parry Sound just last weekend. One of their big issues was predation occurring mainly by wolves.

Now, of course, we're fairly near to Algonquin Park. In all the municipalities, counties and townships around Algonquin Park wolf hunting was banned a number of years back. They say there has been a significant increase in predation in the last seven years. I guess I wondered if that's unique to my area or whether you're hearing from your members about similar problems. They also described problems with getting compensated when there is predation, because they have to be able to find the animal and often they aren't able to find it because it's dragged off somewhere.

Ms. Bette Jean Crews: We are hearing that this is a problem across the province. The list of animals counted as predators is not relevant to current predators. The list of livestock is not relevant to current livestock that are produced on farms. There is nothing to cover crops, as well. So the predation issue is a huge one across the province, and we've done some work on it. I do believe that's in our presentation, and we have some solutions.

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We'd actually asked for an update to the 25-year-old schedule of payment for livestock that are covered. It's a little out of date.

Mr. Norm Miller: Thank you. I know other members have questions.

The Vice-Chair (Mrs. Laura Albanese): Mr. Barrett.

Mr. Toby Barrett: Very quickly, I know we covered much of the risk-management program in a previous deputation. I am convinced that's a very important imitative and we have to pull that off. To their credit, many of the farm meetings this winter have been reporting to the membership on that. It's kind of a day-by-day, hopefully positive, development.

The food donation tax credit—I find this very interesting. Have you done any research at all on the US food stamp program? Is that something we should be looking at in Ontario or Canada?

Ms. Bette Jean Crews: No, I'm sorry, I have no—

Mr. Toby Barrett: I just wondered. With the allocation of resources to, say, lower-income people that should go to food and rent, sometimes it goes for other things. Like this hotel: If you go in the washroom, there's a place where you put your used needle after you've hit up. You know, they get used inappropriately. So by designation, I just think there's merit in that and maybe we should take a look at food stamps.

Ms. Bette Jean Crews: Mr. Barrett, speaking to the tax credit for donations to food banks, this would help compensate farmers for the cost of actually assembling this or getting it to the food bank. There's even something in that program that will put some resources towards gathering up what is left in the fields and not used.

Mr. Toby Barrett: Yes.

The beginning farmer program—many have been following the travails of a fellow named Wayne Bartels, a beginning hog farmer, who has lost perhaps millions of dollars now, two or three years into the industry. Any comment on that? We have a situation where you expect

government to help beginning farmers. He has, regrettably, gone the other way, to the tune of millions.

Ms. Bette Jean Crews: The industry is at a crossroads right now. We really are in a crisis. That's why what is in our presentation is so essential to the industry right now. There are young people who want to go into agriculture. If you ask me the one thing that we can do to get young people into agriculture: Make the industry profitable and predictable.

Mr. Toby Barrett: Much of those of us who own farms or land provide scenery and what have you, trees and clean water for others who maybe don't own the land. You have a title here, Ecological Goods and Services, the ALUS program, alternate land use services. Has there been significant government support for this concept?

Ms. Bette Jean Crews: I believe that there was some government support for the pilot for ALUS. It is one in the equation of good programs for EG&S benefits to farmers. But agriculture is touched by almost every ministry, mostly because farmers own most of the private land in the province. We are so impacted by every ministry and every bit of regulation that comes out. That very much relates to the stewardship that we do, the environmental services that we do as part of our normal farm practices. They are now beginning to cost us significant amounts of money, and we need some program and some attention paid to the fact of what we are contributing to this country.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation this afternoon. The time, unfortunately, has expired.

SARNIA-LAMBTON HEALTH COALITION

The Vice-Chair (Mrs. Laura Albanese): I would now call on the Sarnia-Lambton Health Coalition to come forward. Good afternoon. You will have 10 minutes for your presentation, and that will be followed by five minutes of questioning. Please identify yourself for the purposes of our Hansard recording. You may begin.

Ms. Helen Havlik: Thank you very much. I have provided you with hard copies, I believe 25. I don't intend to read all of this, because it's way over 10 minutes. I'm just going to highlight some of the things.

My name is Helen Havlik. I am a retired director of nursing from a small hospital, which is the hospital in Petrolia. I retired in 1992. I know a little bit about running hospitals. I took the courses that were offered in administration of hospitals. I believe that I understand how a hospital works and I'm worried that they're not working the way they're supposed to. I'd like to ask the question: What is a hospital for? Does anybody know what a hospital is for? I think we've lost the thread of that, and that's what I'm trying to get you to understand: What is a hospital for?

We are members of the Ontario Health Coalition, as you see the address there on the front. The first page is

just going to explain to you who they represent. It's a coalition, and it is a large group of people. People seem to think that we're in the hands of the unions, but it's not just the unions. The unions are a part of it, but there are a lot of other organizations.

On the next page, you'll see the key issues of the problem that we're facing: evidence that hospital funding is unsustainable. I understand we don't have a lot of money, and I'm here to tell you how to save it, okay? Inadequate hospital funding is offloading onto privatization, restructuring is creating new costs—and I'll explain that to you—and there's a disconnect between infrastructure planning and service planning, which creates confusion and wasting of funds. The provincial government's approach to hospital funding is at odds with the values and priorities of Ontarians, and it has been undertaken without appropriate public consultation and in the absence of proper parliamentary process that should provide public input.

The next page is talking about how the shrinking of the funding to hospitals has occurred over the last 20 years. It shows it very graphically there. It has just been shrinking, declining as a share of the provincial health budget. We're told, "Oh, health care is taking too much money out of the budget," blah, blah, blah. That's not true—according to our statistics, at any rate. That graph will show you that.

On the next page, the hospital global budgets are running at less than inflation, forcing cuts. Privatization: I'm sorry to say that this government and subsequent governments want to privatize the health care system, and it's being insidiously done. People have no clue about what's happening, and we see it all the time. We see the Bayshore home care group, which is a for-profit group, and what they've done is, instead of coming to your home and giving you home care, you have to go to a clinic now. Is that not duplication? They make you go to a clinic. They make the people in Petrolia drive to Sarnia to a clinic. Is that home care? Is that care in your home? I'd say that it's not, and it's costing money. Those people signed a contract, and I want to know if there's fraud involved, because if they are charging the same money to make you come to a clinic that they would charge if they came into your home, I consider that fraud. I have no evidence of that, but the fact that they make you drive means your cost of going from your home right after your surgery—and I can give you examples of that—out of the hospital the same day, going to the clinic and having your dressing changed, and having your nursing care done at the clinic. That is not home care; that's not what CCAC was set up for. So, bad: privatization. That's a private company making a profit off the backs of people, and I abhor that. I think it is awful, and that we are allowing it to happen is ludicrous. That's one thing of how money is being wasted.

Eighty-three per cent of Ontario's small hospitals—that's on the next page, and the Petrolia hospital was in that group. If they had greater than 1,500 cases—they were providing obstetrics, and the general practitioners in

our area were providing obstetrics. Talk about quality of care and whatnot. If you've been practising medicine for 20 years, how many obstetrical patients have you looked after? It's all about the numbers: Have you done enough obstetrical cases? If you've been a general practitioner for 20 years, I would assume that you've done enough obstetrical cases and you know when you have a problem and you know to send that patient somewhere else because you're not going to be able to deal with them. They know that; they do that. But what happened was that our obstetrical department was closed and the general practitioners who wanted to do that service were not allowed to do it. The obstetrical literature does not suggest the full-scale regionalization of obstetrics, which is what has been happening now and been tried to do. Rather, it suggests the regionalization of high-risk births while encouraging local uncomplicated deliveries and the maintenance of local expertise. That's what we should be doing. It's the high-risk that should be amalgamated and sent to another, not the run-of-the-mill obstetrical that you could do in your own home with a nurse or a midwife. Give me a break. What's wrong with having the doctor in the hospital doing that ordinary obstetrical case? No, it's not good enough; centralize it.

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"Nonetheless, the committee's findings"—that was the committee that was looking at obstetrics—"and their review of the research show that the use of quality and 'critical mass' should not be misused as an excuse to centralize services and fundamentally erode the role of small hospitals because such centralization holds significant implications and risks for patients." Instead of shortening the risk for patients, you're actually making it worse.

I don't like that whole thing about critical mass and quality; it's a red herring. It's a red herring that's not true. It's not true that you can't get good care in a small and rural hospital. In the emergency department, your patient will be stabilized and sent to an area where he can get the proper treatment. The doctors in small and rural hospitals know how to stabilize patients; they know how to give them good care.

The centralization of services is a threat to small and rural hospitals, and that's what we're complaining about. I know that the committee that's looking at that, which the government has set up, is not having public hearings. Guess what? The Ontario Health Coalition is going to have public hearings. They're going to start in March, and we're going to listen to the public. If that committee doesn't want to listen to the public, we are going to listen to the public.

The general trend is towards cutting and restructuring services across entire LHINs or regions. This is similar to the Harris-era restructuring, but this time service rationalization is much deeper since hospitals have already been restructured for more than 15 years. Our small, rural hospital was amalgamated with Sarnia Hospital and became Bluewater Health—not even named "hospital." We want our hospital name back because we

are a hospital. We want to be a hospital; we intend to provide the services that hospitals provide.

Current plans affect local services from birthing to emergency departments to surgeries. Our surgery was cut out, our two small surgical rooms. We can't do surgery anymore; they've cut it out. You wait now in Sarnia. We had a consultant say that with our hospital emergency, we should do ordinary surgery. We had the expertise. We had the room. We had the state-of-the-art equipment. No, they cut it; they took it out. We can't do surgeries anymore, so these surgeries occur—

The Vice-Chair (Mrs. Laura Albanese): I just want to advise you that you have about a minute left.

Ms. Helen Havlik: Okay. I'll move on, then. The next part is about the auditor saying that this P3 business has cost money. Actually, the restructuring cost \$3.9 billion. That was \$1.8 billion more than was expected. You didn't save any money by restructuring what Harris said to restructure—no money was saved. As a matter of fact, it cost you money.

I'm going to move on. You can read all this. We have information.

Instability and failure to plan for health human resources: That is a problem. You should be planning for human resources, not cutting beds. I never nursed a bed in my whole life that I was a nurse. I never nursed a bed; I nursed patients in the bed. So you can cut all the beds you want, cut all the emergency departments you want; the fact of the matter is the patients are still there. So I just want to read that last little paragraph. It's very short.

The Vice-Chair (Mrs. Laura Albanese): Please be concise because the time has expired.

Mr. Michael Prue: It's okay; I'll give up some of my time.

The Vice-Chair (Mrs. Laura Albanese): Okay.

Ms. Helen Havlik: Thank you. When decisions are made about health promotion, disease prevention, diagnosis, treatment, patient care and rehabilitation that are not based on clinical research, medical and surgical clinical needs and scientific data but on cost-cutting measures, restructuring of hospitals and administrative egos, wasteful spending will result. Delayed diagnostic results, duplication of services, lack of continuity, untimely intervention and the use of consultants and mistakes will cause wasteful spending of money and unnecessary physical suffering.

Highly paid administrators and management staff who cannot run a hospital by meeting the needs of professional staff and therefore patients—they require consultants, PR people, communication experts etc.—should be replaced by CEOs and managers who can do the job. You don't need a consultant; if you know how to run a hospital, you don't need a consultant. In so doing, facilitate good patient care rather than make decisions which put roadblocks in the efficient delivery of care and that put the patient at risk, thereby causing confusion, delays and higher costs, not to mention patient suffering. Closing ER departments, cutting beds and laying off staff

does not result in fewer patients but in delayed patient care, which, in the end, is costing more money.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for that. Mr. Prue, you'll have about three minutes and a half for questions.

Mr. Michael Prue: Thank you very much for your deputation. It's a good thing that you're here, because this morning we had two groups—one was the London Chamber of Commerce, and the other one surprised me: the London Health Sciences Centre and St. Joseph's Health Care, who both advocated for more privatization in our hospitals. You're up against some pretty big guns here.

Ms. Helen Havlik: Some pretty big guns. That's right.

Mr. Michael Prue: They made statements that are diametrically opposed to what you make. They said that health costs were escalating at an enormous proportion and that they were no longer sustainable. You're saying, in fact, that that's not the case; that the hospitals have actually gone down as a percentage over the years.

Ms. Helen Havlik: It's wasting the money. You wasted it on eHealth. We need electronic records, but we haven't got them yet. So that continuity is lost. The continuity is lost because the doctors can't talk to each other. You can't do something in a private lab and have the doctor get those results on the computer. That doesn't happen. What are we using the computer for if you can't have that efficiency? The doctor cannot get those results on his computer, so what good is that? Now you have to get a paper result and you have to input it into the computer. It's a waste. Money is being wasted. Somebody needs to run this system that knows how to run it—knows how to run a hospital, knows what a hospital is for.

I can give you an example. A woman came to our emergency department with pain in her abdomen. She got pain medication and was sent home. You know why? There was no bed to admit her to. When I was a nurse, we would have admitted her to a bed and figured out what was going on with her. If the doctor couldn't figure it out, the surgeon would have come in and done an incision—opened her up and saw what the problem was. No, she got sent home four times—four times with pain medication—and nothing was resolved until finally she said, "I'm not going home. You have to do something for me." What did she have? A nine-pound hernia in her abdomen, with the bowel ready to be incarcerated into that hernia. She would have died. Have you saved money by sending her home instead of looking after the problem the first time around?

People are going home and then have to be readmitted to the hospital because they're not ready to go home. They're not in a position to go home, and they haven't got home care either.

Mr. Michael Prue: I just want to ask you about the closure of the hospitals. When I opened up this morning's Globe and Mail, the province's Ombudsman is launching a probe into those hospital closings. I support

what he's doing because we had people come yesterday in Niagara Falls to talk about the closure of the Fort Erie and the Port Colborne—

Ms. Helen Havlik: And two patients died.

Mr. Michael Prue: And two patients died. Should the province, should the Liberal government, be closing down smaller hospitals?

Ms. Helen Havlik: No.

Mr. Michael Prue: Should they be listening to the LHINs that they set up?

Ms. Helen Havlik: No, we should not. Actually, today the LHINs are having a meeting in Chatham, and they're going to look at that Hay report that said to close emergency in Leamington, close emergency in Petrolia, close emergency in Wallaceburg—that's what the Hay report says—and turn them into urgent care centres.

People are going to die. People have died. Time is of the essence. If you close those hospitals, the ambulance can take you to Sarnia. But you know what? You're 20 minutes on the outskirts of the city and you have to navigate those streets and those lights to get to the hospital, which is closer to the river than it is to Petrolia. All the people who live in Oil Springs and Alvinston and all our rural people—it's going to take them an hour to get there. You can't afford an hour. People will die. The emergency department in our hospital has saved lives, has been able to stabilize patients and send them for definitive—why can't you let the care that patients need happen?

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The Vice-Chair (Mrs. Laura Albanese): Thank you for your submission this afternoon. We really appreciate it.

Ms. Helen Havlik: Thank you. Yes, I am passionate about it, because I see bad things happening.

COALITION OF ONTARIO PSYCHIATRISTS

The Vice-Chair (Mrs. Laura Albanese): I would now ask the Coalition of Ontario Psychiatrists to come forward. Good afternoon. You will have 10 minutes for your presentation, which will be followed by five minutes of questioning. Please state your name for the purposes of our recording Hansard. Right after that, you may begin your presentation.

Dr. Desi Brownstone: I'd like to thank you for the opportunity to speak with you today regarding mental health and addictions and the budgetary process.

My name is Desi Brownstone. I'm a psychiatrist practising in my own office here in London. I'm the current chair of the Ontario Medical Association section on psychiatry. I'm also a co-chair of the Coalition of Ontario Psychiatrists.

The Coalition of Ontario Psychiatrists is a formal partnership of the Ontario Psychiatric Association and the section on psychiatry of the Ontario Medical Association. It is concerned with the provision of high-quality mental health services for all Ontarians who need them.

The Coalition of Ontario Psychiatrists represents the 1,900 psychiatrists in the province of Ontario.

Emotional illnesses and addictions cause a great deal of suffering for persons with them and for their families as well. Last summer, the previous Minister of Health, Minister Caplan, released the discussion document *Every Door Is the Right Door*. In it, the financial costs of emotional disorders and addictions are cited. In the year 2000, \$29 billion was lost in productivity. The estimate would be much higher for 2010. These are just the loss costs; these are not the costs of treatment etc. The paper notes that for every \$1 spent on mental health and addictions, \$7 are saved in health costs and \$30 are saved in lost productivity and social costs.

The situation with regard to treating emotional disorders and addictions is further complicated by the fact that Ontario is second-last among the provinces in per capita spending on mental health and addictions, that this has been underfunded for many, many years, that more treatment resources are needed, and that there has been a shortage of psychiatrists for many years as well.

The psychiatrists in our province have witnessed what happens when budget cuts occur, whether these are within institutions or larger budgets. Within hospitals, the outpatient services that used to be available many years ago no longer exist, and the consequences are devastating.

I'll give you a local example. In the mid- to late 1990s, the outpatient psychotherapy service, a successful program at St. Joseph's Hospital, was cut as a cost-saving measure. Following this is when my own waiting list for providing treatment went from four to six months to over a year, and has never gotten shorter. More to the point, perhaps, following this is when the numbers of the homeless, addicted and inadequately housed in this city grew tremendously.

Another example is the results of the Health Services Restructuring Commission. The commission set very low bed targets for general hospitals and provincial psychiatric hospitals. They set these targets contingent on setting up treatment and rehabilitation programs in communities. Since the report was accepted by government, beds have indeed been cut to the levels recommended. This puts pressure on the hospitals to "get them in and get them out." However, the treatment and rehabilitation programs in communities have never been set up, ostensibly because of a lack of funds. Many communities have noted an increase in problems with homeless people and persons with addictions. The obvious question is, once services or beds are cut and people suffering from emotional disorders or addictions are sent out into communities, then what?

The plea of the Coalition of Ontario Psychiatrists is that in tackling the province's deficit, funds for mental health and addiction treatment, rehabilitation and housing be protected. The social and financial costs of further cuts are simply too great. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you for that presentation. I will now turn it to MPP Flynn for questions.

Mr. Kevin Daniel Flynn: Thank you, Dr. Brownstone, for your presentation.

I chair the Select Committee on Mental Health and Addictions in the province of Ontario. It was actually the brainchild of a member of the opposition, Christine Elliott. It has been an excellent exercise. Both opposition parties and the government, I think, have put all their partisanship aside and are trying to bring forward a report to the Legislature that we hope will be the first step toward correcting something that we all agree has been in need of attention for some time.

As you move through this as a layperson, you learn a lot and you hear a lot of stories that you wish you weren't hearing, but some things stand out. The one that stands out is that when we were in Kingston, the former chief of psychiatry at Kingston General Hospital came forward and said, "People talk about a lack of psychiatrists in the Kingston community, and I'm here to tell you today"—I'm paraphrasing what he said—"that there is no lack of psychiatrists. What there is is a lack of psychiatrists who will see patients. Most of the psychiatrists in Kingston are at Queen's University doing research." So, since that day, I've been on this personal investigation. You tell me there are 1,900 trained psychiatrists in the province. Is that practising psychiatrists, or is that people who have received their accreditation and may be practising or may not be?

Dr. Desi Brownstone: That would be more or less an estimate. It's hard to get an accurate figure, first of all. Second of all, those would be the people who are paying dues to the OMA. They get OHIP dollars. That does not state that they're in full-time practice, part-time practice, research, administration.

I quite sympathize with your frustration. Some years ago, I tried to ascertain how many psychiatrists there are within London. I got the lists from the OMA, from the College of Physicians and Surgeons, as well as just the lists of who were supposedly psychiatrists at LPH. None of the lists were accurate. They all had people who were dead or retired. The hospitals included family doctors who were substituting for psychiatrists. Some people, myself included, were listed more than once. I do sessionals at the InterCommunity Health Centre, so I have two offices; I was listed twice. Some people were listed four times. So it's hard to get a full idea of how many people are in full-time practice.

Mr. Kevin Daniel Flynn: How much time do I have?

The Vice-Chair (Mrs. Laura Albanese): Two minutes.

Mr. Kevin Daniel Flynn: The reason that was given in the Kingston example is that psychiatrists can make more money at Queen's than they can seeing patients. In your experience, would that be an accurate statement?

Dr. Desi Brownstone: I don't think so.

Mr. Kevin Daniel Flynn: Well, that's good news.

Dr. Desi Brownstone: I don't know if they're referring to the alternate payment plan there or not. I don't know the details of that. I'd be really surprised if there's any particular place that pays psychiatrists so hugely that they don't want to do any work.

Mr. Kevin Daniel Flynn: Just by way of example, apparently there are 40 trained psychiatrists in Kingston, and less than five will see a patient. I found that startling.
1500

Dr. Desi Brownstone: I do too.

Mr. Kevin Daniel Flynn: Okay. I'll keep my mini-investigation going. You've helped a little bit.

Dr. Desi Brownstone: Part of the issue may be that being a teaching centre, they have people who serve more than one master—teaching, research, administration and clinical duties.

Mr. Kevin Daniel Flynn: Yes, because clearly, what's coming out of the hearings is that a family confronts an issue they didn't expect to confront. Either they experience some sort of a mental health issue themselves or somebody in the family does and then they get told they have to wait a year. A year may as well be never when you're in that situation.

Dr. Desi Brownstone: Right.

Mr. Kevin Daniel Flynn: Am I out of time?

The Vice-Chair (Mrs. Laura Albanese): Thirty seconds.

Interjection.

The Vice-Chair (Mrs. Laura Albanese): Thank you for taking the time to appear before the committee this afternoon.

Dr. Desi Brownstone: No other questions?

The Vice-Chair (Mrs. Laura Albanese): Thank you for your submission.

SOUTH COAST GROW ME GREEN ENERGY ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): We will now call on the South Coast Grow Me Green Energy Association to come forward. Good afternoon. You will have 10 minutes for your presentation. That will be followed by five minutes of questioning. This rotation goes to the official opposition. Please state your name into the record before you begin for the purposes of our Hansard recording.

Ms. Linda Vandendriessche: Yes, good afternoon. My name is Linda Vandendriessche. I'm the treasurer of our association. Beside me is John Dumanski, who is the actual chair.

I think many of you know both of us through the tobacco industry. We're former tobacco growers and belonged to the Ontario Flue-Cured Tobacco Growers' Marketing Board in the past. We're here today to tell you a bit about a new venture that a group of us are looking at.

I'd like to tell you a bit of the history of the Norfolk sand plain. We're home to about 200,000-plus acres of non-food based land. In the early 1900s the area was basically a dustbowl. Now, many of you probably know that. The light, sandy soils were susceptible to both wind and water erosion. There was a need for a transition at that time and tobacco came into the picture. Now the industry has changed again; tobacco is coming out of the

picture. Therefore we have significant acres of land that are available for change. Soil erosion begins to surface again as fewer and fewer cover crops are being planted. There are different practices in farming today than there were in the past, which prompted us to look for a crop that was both environmentally friendly and would preserve our sensitive soils.

The challenges of the sand plain: The sizes of our farms are approximately 125 to 150 acres. We have the sandy soil that requires irrigation and fertilization. Corn and beans are not sustainable on our land, for we have lower yields. We have been trying to find an alternative for decades and we don't want to upset the delicate balance of the existing vegetable and fruit markets that we have in our area. We have restricted agricultural uses and we have a very sensitive water aquifer.

The South Coast Grow Me Green Energy Association: We consist of five members and we have formed a not-for-profit association. Prior to exiting tobacco production, we began searching for alternatives. We saw potential in the biomass market, the tall grass prairie. We have a mission. Our mission is to keep farmers on their land, preserve the small family farm, retain farmland values and preserve and protect our environment. I don't know if you all have the document but there is a picture of a one-year prairie grass stand on page—well, you wouldn't have my document, but you'll see it on the front page of your document. That's a first-year stand. That is very significant in our area.

I'll tell you the history of the tall grass prairie. It's a blend of native grasses found in Ontario, consisting of switchgrass, big bluestem and Indian grasses. These are remnants of these grasses that were here 1,000 years ago and are still here in very small areas. Tall grass prairie has been threatened by urban development and agricultural practices. Seventy-seven million hectares of tall grass prairie once thrived in North America. There is less than 5% remaining in North America, and only 2% in Ontario. These grasses are non-invasive. They are native to Ontario.

The tall grass prairie is a mix of grasses which is known as a polyculture. Polyculture provides more consistent yields and creates a more stable and steady supply. We have over 300 acres of tall grass prairie already established in Norfolk and Oxford counties. The yield data that we have, we've pulled some grass off and we found that it will yield about five to eight tonnes per acre. It grows approximately seven feet high. It is drought-resistant; therefore there's no need for irrigation, saving the precious water that we have. It is highly adapted to our sensitive soils: It will grow better in a sand soil than it will in a very hearty, loamy soil. It is also a perennial crop, so once you've established this crop, it could last 1,000 years if you really wanted it to. We as farmers would like to see something as productive as 20 years.

The carbon capture: This is a very interesting section of what we're trying to do. The tall grass prairie captures approximately four tonnes of carbon per hectare per year,

the only crop being considered as carbon-negative. Farmers put in crops and they can be carbon-neutral or carbon-positive, but this particular crop is carbon-negative. The roots grow 12 to 14 feet deep, and they sequester carbon deep into the soil. Approximately 30% of the roots die off each year, so the cycle will start again: Each year, these roots will suck up four tonnes of carbon under the ground. It's efficient and it's a filter. Now, I will say that it captures 40% more energy than corn does when it's burned. It's more highly efficient.

I have a picture, and I think you might have it in your document as well, of the root system of tall grass prairie. When we plant tall grass prairie, we like to include forbs and flowers along with it. The reason for that is that if you plant something like sunflower and—

Mr. John Dumanski: Wild timothy.

Ms. Linda Vandendriessche: —wild timothy and a few of the others—Queen Anne's lace, black-eyed Susans, some of those flowers—they are a natural fertilizer, okay? Therefore, no fertilizer is required on these grasses. So imagine: You go out, you plant your crop, you leave it there; you don't have to irrigate, you don't have to fertilize. You have natural processes taking place.

The benefits of the transition of the sand plain: We have a large amount of non-food-based marginal land available on the sand plain. That consists of five counties—and many of you know this, coming from the area that we're talking about. It will provide a secure and stable supply of energy. We will keep our farmers on their land. They will be able to farm as well as have alternatives that they could get into. It would complement the only biosphere in Carolinian Canada. It's very important, as you'll see by our support letters. We need to revitalize our economy in our area. We've been hard hit. We will be creating significant jobs. Norfolk county alone, as you know, has the second-highest unemployment rate in the province of Ontario. We will boost agri-tourism as well.

The environmental impact: It can be used in a rotation to replace organic matter. It sequesters the carbon. It purifies the air and water, prevents phosphates from running off into the rivers, lakes and streams—you know we have had that problem—and prevents nitrates from leaching into the groundwater. It's very effective as a buffer zone along sensitive creekbeds. You'll all be familiar with the ALUS project that uses the tall grass prairie along the creekbeds. It is a natural habitat for birds, snakes and other local wildlife. We have checked into it; we know what we're talking about when we say the harvest cycle complements the migratory habits of the wildlife. It is a renewable energy source. It's clean-burning. We've had tests done on it. We would not exploit our woodlots. It will attract bees for natural pollination in fruit and vegetable crops. What could happen here is you will have five or—

The Acting Chair (Mr. Kevin Daniel Flynn): Two minutes.

Ms. Linda Vandendriessche: Two minutes? Holy mackerel.

Okay, potential uses for the tall grass prairie: It could be for ethanol, biogas, bedding, paper, fiber—I'll move on.

The challenges: I have to get to this, because the pelleting is the end user. Tall grass prairie takes three years to establish, harvesting not until the spring of the fourth year, but we are looking at doing it earlier. We need to entice farmers to grow it.

I think I'll skip over.

A sustainable transition program for farmers is the solution. Create local pelletizing plants in which the farmers would be participants, in a co-op or a farm association. We have markets. We've gone out and spoken to many different groups. They're looking for this product.

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I'll go over to Grow Me Green. We have met with various individuals from municipalities, the province, the federal government. We believe in partnerships to be created between all levels of government. We believe that Ontario can become a leader of a greener tomorrow. You'll see that we have support documents in the package.

Grow Me Green would like to establish 500 acres of additional tall grass prairie in the spring of 2010. This amount of acreage will be efficient for the research and development we need to do.

Grow Me Green continues to explore growing our markets for the potential that exists for these projects, which would include diversity for the end user. Grow Me Green hopes to be pelletizing in the near future. We have some equipment we're working with. We're looking for the support of the federal government, not just to be looking at other alternative energy sources, but also to look in your own backyard where farmers can grow a crop that would be very efficient.

The Acting Chair (Mr. Kevin Daniel Flynn): Good timing.

Ms. Linda Vandendriessche: Thank you.

The Acting Chair (Mr. Kevin Daniel Flynn): You hit 10 minutes right on the nail there. I'm sure you'll have a chance to get more out in the questions and answers. The questions this time go to the Conservative Party.

Mr. Peter Shurman: Your enthusiasm is palpable. I think I want to invest. It sounds like a no-lose proposition and it's the first time it's been presented to me. Obviously you're very enthusiastic, so I'd like to know more.

With the Green Energy Act, enacted halfway through last year, it seems to me that it would be a fair statement to say that the province's focus apparently went away from things like atomic power and biomass, which is where your project would fall, and more directly into wind and solar. Would you agree with that statement?

Ms. Linda Vandendriessche: I'm not exactly familiar—I'd be making a mistake if I were to say I knew exactly what was going on in there, but—

Mr. Peter Shurman: So would I, but go ahead.

Ms. Linda Vandendriessche: But there are programs that are available for us that we're trying to look into. Let's not forget—I do agree with you—there are demands on energy. Yes, the wind power is necessary and, yes, solar might be necessary, but don't forget the alternative of this as well. Include it in the package.

Mr. Peter Shurman: I understand that. I'm just concerned about things like being sold down the river to a foreign company and exporting jobs and exporting money when we have people like you saying, "Look, we can take land that is not particularly supportive of growing food crops and we can turn it into energy."

Ms. Linda Vandendriessche: I can't deny that would be a good statement, to say we could use our lands for that.

Mr. Peter Shurman: The figures that you gave us on what the total yield could be—did you say four times what corn would do under the same circumstances?

Ms. Linda Vandendriessche: No. What I indicated was the energy burn could be 40% higher.

Mr. Peter Shurman: Okay. It's still obviously more efficient and, again, a good land use. Thank you very much.

Ms. Linda Vandendriessche: You're welcome.

Mr. Toby Barrett: Just to follow up with respect to the foreign companies: Samsung solar would be receiving 44.3 cents per kilowatt hour, and for wind, they'd be receiving 13.5 cents per kilowatt hour plus added incentives. I'm not sure what the additional incentive is. That's a \$7-billion package.

For switchgrass, prairie tall grass, for this kind of biomass, what kind of a range would you need as far as government assistance? Is it somewhere between 13 cents a kilowatt—is it 44 cents a kilowatt? We know we can produce electricity with coal at maybe three or four cents a kilowatt. Have you looked at that at all to try to make this new venture take off?

Ms. Linda Vandendriessche: John, do you want to answer that one?

Mr. John Dumanski: We want to establish a pilot project to try to figure out where we need to go with this. That is why we're asking for help to put in the crop, to build a pelletizer—this will be the pilot project—and then to see after, when it's all done, when it's working, if it is a viable industry.

Mr. Toby Barrett: In the United States I think there are some pelletizer plants.

Ms. Linda Vandendriessche: Yes, there is a significant crop of prairie grass grown in the United States and there are, I think, three different locations—one in Ohio, one in Pennsylvania—

Mr. John Dumanski: There are actually four—another in Kentucky and in Minnesota.

Ms. Linda Vandendriessche: The government of the United States is being very positive with this land use. They're saying that if it can be a marginal soil, such as a sand-based soil, that they want to invest in seeing that those farmers in those areas can become productive with this type of use.

I don't know the numbers and it would be unfair for me to try to quote something in a number, but all I can say is, no, we can't compete with coal, but yes, we can compete with natural gas and propane. We're in the competitive marketplace.

Mr. Toby Barrett: I know you're not involved with miscanthus. Where is that at as far as pilot or usage in the United States or elsewhere?

Ms. Linda Vandendriessche: John can answer a lot of this, but my opinion on miscanthus is this: We're not here to say one is better or worse than another. We've investigated all the particular grasses, and we wanted to stay as native to the soil as possible. We felt that the tall grass prairie was more up our alley.

Mr. John Dumanski: With the tall grass prairie, it is indigenous to this area, and like Linda suggested, when planting with forbs in a polyculture, you will get yields. It is indigenous. It will grow in no matter what climatic condition that Mother Nature gives us throughout the years. Our understanding of miscanthus is that it is a monoculture, which is old, traditional agriculture. There are inputs involved through fertilization, maybe irrigation, so it is more cost-prohibitive. We're just looking at the whole picture, the environmental picture and also the economic picture.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for that presentation.

CANADIAN AUTO WORKERS, LOCAL 27

The Vice-Chair (Mrs. Laura Albanese): We now call on the Canadian Auto Workers, Local 27, to come forward. Good afternoon. You will have 10 minutes for your presentation, which will be followed by five minutes of questioning. If you could please identify yourself for the purposes of our Hansard recording—

Mr. Tim Carrie: I will do my best.

The Vice-Chair (Mrs. Laura Albanese): —and you may start.

Mr. Tim Carrie: First of all, thank you very much for the opportunity to present. My name is Tim Carrie. I'm the president of CAW Local 27 here in London and some outside of London. We represent about 5,100 members in all sectors of our economy, including health care, manufacturing, warehouse, electromotive production, and general dynamics, which produces the armoured vehicles. So I think that we can speak on the issues based on what the economy really looks like.

I was asked if we have a brief, and I'm sure the OFL and the national CAW will present a written brief sometime later. So I thought I'd take the opportunity to speak to you more on a local level and the impact that the recession has had on London and our urging for the provincial government in the next budget not to slash and burn around public spending in order to try to get out of the deficit. We believe that would be the wrong direction to go and we believe that the only way to get out of this is to create jobs, not to cut public spending.

We commend the provincial government in regard to their recent initiatives around green jobs. We know there has been some opposition in regard to where it comes from, but the bottom line is, we have spoken extensively about the need to create green jobs, to move towards a green economy, and at least we're spending money in an area that creates some jobs.

Could we do something more in regard to direct jobs and having direct investment from investors in Ontario and Canada? Yes, I believe we could. For example, in London over the last few years we have lost many plants. We have a Siemens plant, for example, here in London that is sitting idle and empty. We have a Dana plant in St. Marys that's idle and empty. We have a Sterling plant in St. Thomas. We believe we have to put more emphasis on utilizing those facilities to create the green jobs that we need in the future.

Having said that, I don't believe that we should be looking at cutting back or giving up on manufacturing. Ontario is a manufacturing-based economy and it needs to continue to be a manufacturing-based economy. I've been at several presentations where I've heard issues about small business, which we believe is important, and the creation of small business, but the question we would ask is, who is going to be the consumer and who is going to buy? Unless we have people making decent wages in manufacturing, how are we going to support our public sector and those? So it's one area that we wanted to get out.

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The other is the deficit. We recall that Paul Martin, as the Minister of Finance, decided that the way to get out of the deficit that we had federally years ago was to slash and burn. That created a lot of pain for quite a few people. As a result of that, we got out of the deficit 14 months earlier than we would have, but the pain and suffering that it caused—was it really worth it? We would suggest that it was not. We believe that we have to stay the course in regard to creating manufacturing jobs.

Let's talk about issues from our perspective. I'll touch on three things that have really hit us.

Right now, when workers lose their jobs in the province of Ontario, according to the Employment Standards Act, they're entitled to severance pay if there are more than 50 employees and if the payroll of the employer is \$2.2 million. But many employers are escaping their responsibilities for severance pay by either a phony takeover by another company or simply running away from their obligations. We strongly suggest that a way to avoid this—and many employers, by the way, live up to their legal obligations and pay the severance pay that they know they're required to pay. We're suggesting that every employer be required under law to place the severance into a trust for workers as they become eligible. For the honest employers, this is something they would pay anyway, and for the employers that are running away, that money would go where it belongs and that's to the workers who are entitled to severance.

We also believe that we need to ensure that pensions are protected. One thing that we have come to a

recognition of here in London, and which I'm sure the provincial government and the opposition parties have seen, is the guaranteed pension fund, which was seriously eroded and created serious problems. In this area, well over thousands of retirees from the former Northern Telecom plant are in serious jeopardy of losing their pensions, losing a significant amount of their incomes, which, quite frankly, are not dramatic. You have to recognize that Northern Telecom closed in the early 1990s, and the pensions are maybe \$1,000 a month, cut to \$500 or \$400 a month—cut in half—as a result, again, of a corporation going bankrupt, while making sure that certain people in the corporations received major bonuses. That is a crucial area that we have to look at.

The other is that our union represents in London over 2,500 health care workers in both hospitals. These are the front-line workers—the registered practical nurses, for example, and porters. I have come to the recognition, coming out of the private sector, of the value of these workers. We understand, and we're going to recognize, that there's going to be serious pressure on our members as the attraction towards cuts in spending is there, and that could have an impact on the members we represent. We again are insisting that that is not the way to go.

One last is the issue of providing tax cuts for corporations. Looking at the study, it can be proven that the taxes that corporations pay in Ontario are very competitive with those that are very close to us, whether it's in the northern United States or other jurisdictions. Again, tax cuts to corporations have not been shown to be a way of creating jobs. The way to create jobs is through investment and by ensuring that workers are paid a decent wage.

One last area I want to touch on is the area that we call precarious work: our temporary workers and the kinds of workers that are now being exploited. I have workers who have worked for 20-some years in factories, making a decent wage and benefits, who get hired through temporary agencies and are working for employers in this city at minimum wage with no security, no protection. There have been some things done by the provincial government. It's great to put in some legislation, but unless we have enforcement of this legislation, these workers are going to continue to be exploited. Going in, working, being given what they call a contract of two years that could be cancelled at any time—and the employers are cancelling these, the workers are out of a job, they bring in a new batch and start all over again. Workers deserve more. They deserve some security when they get hired.

Those are some areas that I, on behalf of our union, would ask you to seriously consider in the upcoming budget. To top it off, on behalf of our local union, I would suggest that we ensure that we create jobs, that we look at ways of creating jobs, that we do not give up on manufacturing. One example is what happened in the auto industry in Ontario. There was a wise investment by the federal and provincial governments, and what have we seen as a result of that investment? Recent announce-

ments in Oshawa of more jobs, which creates more jobs in the auto parts sector and all sectors of our economy. Those are examples of good, wise investment in regard to creating jobs. We would ask that that be the direction we follow as we move forward through these difficult times. Cutting public sector spending and cutting the wages of public sector workers will only create more pain and suffering.

Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you for that presentation. I will now turn it over to Mr. Prue for five minutes of questioning.

Mr. Michael Prue: The first thing you raised was the severance pay for companies that have over 50 people. I've seen a couple of companies that have been successful. What they do is, they may have a couple hundred employees, and they scale back, and then they scale back again, and they make sure that they have 49 or 48, and then they close it down in order to escape everything. What do we need to do to change that practice?

Mr. Tim Carrie: One example would be to pro-rate what their employees are over a longer period of time. Closures usually aren't something people know, let's say, four years ahead of time, but if they know six months ahead of time because the corporate boardroom tells them, then the strategy would be to cut their workforce down. So, our suggestion would be, what were your numbers over two years or three years and what was the average number of employees? That would do something, at least, to take away that quick way of avoiding their responsibilities.

Again, it's about the issue of being in trust. If that money is in trust and protected for those workers, even if there are reductions, there's severance pay that's being paid out because it's already there. So there would be a disincentive to reduce because the money would be paid out anyway.

This is about employers that are not good corporate citizens. Many employers are good corporate citizens, live up to their responsibilities and do what's necessary, but as a union representative I have seen the ones that don't.

Mr. Michael Prue: The second thing you talked about was pensions. This is becoming quite a large issue. I know that Andrea Horwath recently got a lot of press around talking about pensions for the 70% or so of people who are retiring without one. Most CAW members would have a pension because that would have been contracted over many years. But do you think that all Ontario citizens should have the right to have a portable pension as they go from job to job?

Mr. Tim Carrie: I think that all Canadian citizens should have the right to retire with respect and dignity. There's one quote that I've heard which we believe is accurate, that in regard to pensions this is a Tommy Douglas time in our country, that we need to put forward the fight for decent pensions for all. Yes, we were fortunate enough in the CAW, the plant that I am out of, to bargain some decent defined plans, but it was only a

year and a half ago at the bargaining table that those defined plans were in jeopardy. So we need to protect defined plans, but at the same time we have to ensure that pensions is an issue for all Ontarians in regard to living with some respect and dignity as they retire.

Mr. Michael Prue: Right now, too, in terms of those defined plans that are in jeopardy, the limit that the Ontario government has if a pension plan goes under or is about to go under, the amount that a person—I forget what it is, but it's a very small amount that they're eligible for monthly. Should we be increasing that amount? Should it be increased, as some have suggested, to \$2,500 a month so that people don't end up in poverty? Is that a realistic thing?

1530

Mr. Tim Carrie: Yes, and that was raised under the report. I could get my pension—what report was that, Tommy? What report was that that increased it to \$2,500?

Mr. Tom McSwiggan: The Arthurs report.

Mr. Michael Prue: The Arthurs report.

Mr. Tim Carrie: The Arthurs report. I have my pension guy behind me.

Mr. Michael Prue: Okay.

Mr. Tim Carrie: Yes, the Arthurs report, which increased it to \$2,500.

Mr. Michael Prue: Now, you talked about reducing taxes to corporations; that there's no proof that it actually increases jobs. I've heard that before, but every time I have some corporate director here or the chamber or commerce, they all say, "Reduce our taxes, and we'll create more jobs." I'm a little skeptical. I think they want to reduce their taxes so they can make more money. You said it doesn't have any—do you have any studies that show it doesn't create jobs?

Mr. Tim Carrie: Well, there are no studies to show that it does. That's the issue. I would suggest we do the carrot-and-stick approach. If you want something, then you prove to us that the money that we're taking out of our taxpayers is going to actually create some jobs. Show me what's there, but don't give me this, "Give me a break, and I'll create some jobs." We find most of it ends up in corporate boardrooms in the US or other facilities outside of this country to enhance their ability to move our work there. We have to be very careful when we're handing out money like that.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much.

Mr. Tim Carrie: Thank you.

LONDON HOME BUILDERS' ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): I now call on the London Home Builders' Association to come forward. Good afternoon. You will have 10 minutes for your presentation. That will be followed by up to five minutes of questioning by the government side. I would ask that you identify yourself before beginning your

presentation for the purposes of our Hansard recording. Thank you. You may begin.

Mr. Mike Baldinelli: First of all, thank you, Madam Chair. Members of the committee, good afternoon. My name is Mike Baldinelli, and I'm the incoming president of the London Home Builders' Association.

Strik, Baldinelli is a local firm. We concentrate strictly on structural engineering. We have offices in London and Cambridge, and we've been winners of supplier of the year three years out of the last four. We are proud members of the home builders' association—Canadian, Ontario and local.

I am a volunteer member in the association. In addition to my business and personal responsibilities, I am dedicated to serving the industry. The London Home Builders' Association is the voice of the residential construction industry across London. Our association includes 280 members involved in all aspects of the industry, and we collectively support thousands of high-quality paying jobs in the area. Given the broader economic turmoil, we are a stabilizing force on the regional economy. We are proudly affiliated with the Ontario Home Builders' and the Canadian Home Builders' Association.

This year has been a difficult one for us, with a 23% decline in single-family housing starts. This follows a 33% decline in 2008 over 2007 starts in the city of London. The London CMA, which includes St. Thomas, Strathroy and the surrounding areas, hasn't fared much better, with a matching 23% decline in the past year and close to a 31% decline over 2008.

The manufacturing sector in southwestern Ontario has been hit hard by layoffs. Closing the Sterling Truck plant in St. Thomas has rippled across our area, with the closing of subsidiary plants. The Ford plant also declared its closing date, which will result in another slam to our area.

The London Economic Development Corp., the LEDC, is working hard to bring in new green industries, and the city of London is developing a new industrial park dedicated to this technology. We are starting to see interest from solar manufacturing and installation providers. The LEDC was successful last year, bringing in Hanwha, one of Korea's largest industrial corporations and leading producers of quartz building materials, to London, where they opened a new 200,000-square-foot facility on Veterans' Memorial Parkway; 120 jobs were predicted for the first year, with 100 more in the following year.

Two years ago, the London Home Builders' partnered with St. Thomas realtors; the LDI, London Development Institute; and the Labourers' International Union to form the Keep London Growing Coalition. Our objective was to capture the attention of the city of London to the concern within our combined industries for jobs. The threat to jobs was due to the scarcity of approved building lots caused by a cumbersome development approval process in London. Headway has been made, but, unfortunately, jobs were negatively impacted even before the economic downturn.

In addition, the city has increased development charges significantly; \$6,000 on January 1 just this past year; DCs from \$17,000 to \$22,921 for a single-family home. Building permit applications reflect a push at the end of December as homebuyers and builders rushed to get permits in, with a record 221% increase in that one month. This will probably slow down permits in January, February and March to offset that increase.

In typical building years, the residential, commercial and industrial construction industry would support about 50,000 jobs in London. There's a lot of concern for jobs in London, with an unheard-of unemployment rate of just over 11%; that's obviously come down a bit over the last month or so.

If people are worried about whether or not they will have a job in the near future, they aren't going to purchase a new home or consider a major renovation. That's why our industry is strongly recommending that the upcoming provincial budget focus on keeping people employed and generating new jobs. The surest method of accomplishing this goal is to invest stimulus funding in key infrastructure projects, specifically projects that support long-term employment opportunities that will also create private investment. All levels of government have a role to play in laying the foundation for this growth cycle.

In London, we have a few projects that we are recommending.

Improvement of the Fanshawe-Highbury intersection: This will help to solve an existing traffic capacity issue and open the door to major commercial service and retail growth for long-term employment and private sector investment. We have a project cost of approximately \$4 million for this.

Extend the Medway sanitary trunk sewer: This will bring more than 200,000 square feet of commercial development and more than 500 acres of mixed residential development in the Sunningdale/Richmond area. The project cost is approximately \$5 million.

Implementation of phase 2 of Stoney Creek remediation and erosion control: This will open up 6,400 acres of future mixed residential development. Again, project cost, \$3 million.

Construct a Riverbend regional stormwater management facility: This will open up 300,000 square feet of commercial development and 200 acres of mixed residential.

Construct the Kilally south sanitary trunk sewer: This will open up 300 acres of mixed-use residential development. Cost: approximately \$2.6 million.

Last, the Fox Hollow sanitary and trunk project: This will open up the northwest quadrant of the city for mixed residential development at approximately \$4 million, so a total development of approximately \$22.6 million.

Unfortunately, our city has chosen a different direction, submitting a selection of projects related to upgrading of city buildings and facilities such as accessibility, electrical and general upgrades, maintenance and replacement of windows, doors, fire systems

and roofing—all necessary works that will employ trades but not long-term job creation projects. We need to take advantage of the recession and fast-track whatever stimulus projects receive approval to ensure that we remain economically competitive.

Although the call was for shovel-ready, we are finding that the need for environmental assessments is slowing down the implementation of these projects. While we're not suggesting that these be bypassed, obviously, it might be worth consideration that some stimulus monies be allocated to support the EAs which would help speed up the whole process. It's a great time to make these investments as the province will get more bang for its buck in terms of reduced labour and materials costs. These investments will have a multiplier effect and encourage investment from all members in the residential construction industry.

We recognize that the shift to a harmonized sales tax will result in some benefits to the broader economy, specifically manufacturing, but harmonization will bring about significant taxation implications impacting new homebuyers and homeowners contemplating a renovation.

Sorry, a couple more minutes?

The Vice-Chair (Mrs. Laura Albanese): Yes. You have three minutes left, unless the government side is willing to let you finish the presentation.

Mr. Mike Baldinelli: I've got one more page. Sorry.

The initially proposed HST structure as applied to new housing in the 2009 budget would have resulted in significant taxation increases for new homes. It was based on a regressive tax structure modeled after the GST with dual thresholds and a rebate clawback. This proposed tax structure would have been devastating for housing affordability and would have created significant market distortions in terms of housing built in London. We appreciate that the government was willing to listen to our concerns and work with us to enhance the tax structure as it applies to new housing. I want to be clear that while we support the positive measures taken to improve the tax structure and reduce the overall tax burden, it still represents a net tax increase for homes valued over \$400,000. Therefore, we strongly recommend that the province avoid the mistakes made by the federal government in failing to update the GST rebate thresholds ever since they were introduced in 1991.

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To protect housing affordability, the province should increase the \$400,000 threshold in the future, as new average home prices inevitably increase over the long term. According to CMHC, the average sale price of a new house in London was approximately \$334,000 at the end of the third quarter, up 7.6% from 2008.

With respect to residential renovations, we have serious concerns that a cumulative 13% sales tax burden will be a godsend for the underground economy. Many homeowners are going to avoid paying the sales tax by hiring unscrupulous trades and simply pay cash. The Altus Group recently estimated that underground

renovation contracts represent approximately \$5.2 billion in unreported economic activity. With the GST already steering a sizable proportion of renovations underground, you can imagine what this will do with an increase from 5% to 13%. This isn't a small issue that can be swept under the rug, as many illegitimate businesses will hope you do. We are talking about billions of dollars in illegal economic activity.

There are many obvious negative attributes to underground construction. Health and safety standards of workers in the underground are not likely to be met. Warranties, obviously, generally don't even exist. Consumers suffer, with little or no recourse in the event of shoddy or unsafe workmanship. This exposes consumers to both financial and liability issues.

The last point is an issue that the London Home Builders' Association works diligently to counteract through ongoing consumer education. Despite articles in our local paper and distribution of brochures detailing the need for a written contract, supported by the federal government, we still receive calls at the LHBA office on a regular basis from unsuspecting homeowners who have gotten caught by an unscrupulous contractor because of the lure of a cash deal. Some calls are heartbreaking, when we hear of the hard-earned money that has been invested for inferior work that has to be redone, and LHBA members come sometimes to the rescue.

The Altus Group recently estimated that an increase in the sales tax from 5% to 13% will result in significant annual government revenue losses: a loss of up to \$1.6 billion in income tax revenue, a loss of up to \$298 million in GST revenue, and approximately \$767 million from other revenues, such as CPP, WSIB, employer health tax and employment insurance benefits.

To mitigate the impact of the cumulative 13% sales tax on the underground, we strongly recommend the following:

Both the provincial and federal governments should introduce permanent home renovation tax rebates for their portions of the sales tax. The rebates should go directly to consumers to encourage collection of receipts from legitimate businesses. In turn, this would create a paper trail that the government and the Canada Revenue Agency could utilize to track and catch those trying to cheat the system.

The Ontario government portion of a permanent home renovation tax rebate should rebate 5.4% of the contract value on all qualifying professional contractor renovations. The 5.4% is calculated as the difference between the 8% provincial sales tax and the 2.6% estimated to be currently embedded in the contractor renovations through the payment of the PST.

Lastly, let me conclude by stating that we are cautiously optimistic that we are turning a corner for housing in London. As one of the drivers of London's economy, members of the London Home Builders' Association pour millions of dollars into the provincial treasury and allow for the expansion of the municipal tax base. We hope to continue to work with you to ensure

that the new housing and renovation industries get back on the right track this year. We look forward to the upcoming budget and we hope you have listened to our concerns and positive suggestions to support job growth by making significant infrastructure investments in London and across Ontario.

I would like to thank you for your attention and interest in my presentation. If you have any questions or comments, please do—

The Vice-Chair (Mrs. Laura Albanese): I will turn it over to Mr. Ramal for questions. Because you have gone over with the presentation, there are about three minutes.

Mr. Mike Baldinelli: Sure, no problem.

Mr. Khalil Ramal: Thank you very much for your presentation. As you know, probably before your time, the city of London and many stakeholders elected from three levels—provincial, federal and municipal—met three times in London to construct a request from the stimulus package which was promised by the federal and provincial governments. As a result of those meetings, the city of London received, or is about to receive, \$100 million. The mayor, Anne Marie DeCicco-Best, was outlining those issues this morning.

Mr. Mike Baldinelli: That's right.

Mr. Khalil Ramal: As you know, we don't force our will and our design on any municipality across the province of Ontario, so it has to come from the grassroots. That's what happened. So what you suggest here was discussed and was on the table, about the sewage in the west end of the city and also the expansion of Highbury and many different issues—but not being taken, because different priorities were supplied by the stakeholders in the city of London.

Also, as you know, we met with your organization many different times. They came to my office; we met with them in your office. Mr. Watson was the Minister of Municipal Affairs back then. He came and he outlined the government strategy and vision in terms of HST. He said, as you know, that as a result of your advice, we increased that threshold to \$400,000 to allow many builders to continue building across the province. Whatever the charge is in the city of London will probably be local; it doesn't apply to Strathroy, Toronto or anywhere else. Anyway, it's a local issue.

Mr. Mike Baldinelli: That's right.

Mr. Khalil Ramal: So I want to say thank you, and I want to thank all the builders' associations across the province of Ontario for working to build this province and for continuing to work with us and with many different people and communities across the province.

Mr. Mike Baldinelli: Thank you very much.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation.

Mr. Ted Arnott: Point of order.

The Vice-Chair (Mrs. Laura Albanese): Yes, Mr. Arnott.

Mr. Ted Arnott: Before you adjourn the meeting, I just wanted to inform committee members that the mayor of Wellesley township, Mayor Ross Kelterborn, has been

waiting all afternoon, in the event that there might be a cancellation, to make a presentation to this committee. I was wanting to seek unanimous consent of the committee to allow Mayor Kelterborn to make a brief presentation, recognizing that we have to be done by 4 o'clock so that we can get to the plane to Dryden. Would the members agree to that?

The Vice-Chair (Mrs. Laura Albanese): Do we have unanimous consent? Mr. Arthurs.

Mr. Wayne Arthurs: I think our caucus certainly would agree with that. Having worn the heavy chain of office, I would much rather see the mayor go back to his council having had an opportunity to present to this committee.

Mr. Ted Arnott: Thank you.

TOWNSHIP OF WELLESLEY

The Vice-Chair (Mrs. Laura Albanese): The mayor of Wellesley township may come forward. Please state your name into the record for the purposes of our Hansard recording.

Mr. Ross Kelterborn: First of all, thank you very much for accepting me. As I move along the chronicle line, sometimes I forget. My submission was handed in on April 13, but not at 4 o'clock. Anyway, that's why I had my problem.

My name is Ross Kelterborn. I'm from the township of Wellesley. I represent a township of approximately 10,000 people, and 1% of our budget raises \$32,000. I'm here to talk to you about two things, really. I've talked twice about this before to Ministers of Finance at forums such as this, which was to increase our income from agricultural land. I'm sure you had your breakfast this morning; I'm sure you had your dinner. More than likely, some of that material that you ate might have come from Wellesley township. If they and all the rest of them in Canada went out of business tomorrow, you'd be in pretty bad shape. You'd be down to the weight you'd want to be, and maybe even a little less.

However, very, very simply, this is the way I see it. I have a little bit of experience. I have been in municipal politics for about 30 years in the same township. I've lived in the same area all my life, and I do this as a dedication to my community. I'm not a politician. No sign goes on my lawn at election time—none. I'm here as a Canadian citizen to better my community. Now, here's how I see it. Agricultural land—the productive land and other types of land that have trees and swamps and so on—is assessed at the residential rate, as many of you likely know. We get 25% of that particular assessment. Then there is another fund that the government gives us back, called the Ontario municipal partnership fund. There's a large calculation that is made to equalize what we don't get in that 75%. What I'm simply saying is that there should be a new assessment for agricultural land—which costs the landowner or farmer nothing; he still pays the 25% of his residential rate—something like the industrial assessment that allows cities to do what they do. On one farm property, if it's sitting in the right place,

you can have six miles of land around one residence. We've got to look after that. So again, I come back to the fact that 1% raises \$32,000.

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The other situation—and you've had people talk about it today—is the green act and carbon sequestering. We have all kinds of land in our township that is swamp, that is no good for producing anything, but off of that land comes clean air, places for birds, environmental things and carbon sequestering. Carbon sequestering is the taking of carbon out of the air and putting oxygen back in. That is a product for you and for me, not because I live in a rural area, but for all of us in Canada, and we should be paid for that—or the people who own that land should be paid for that.

That is my presentation—very simple, very short. I might tell you that the other two presentations that I went to—I saw people coming in here with stacks of paper this high. Well, I did that the first and the second time, and I heard absolutely nothing back. So this time I have one page, and it's simply my letter telling you what I've said, because what I've said is pretty simple.

If you would like some help—and you know, here's another thing about this Ontario partnership fund. One of the municipalities that sits right besides us, that borders us—we're on one side of the line, they're on the other side—gets \$2,200,000 back in Ontario partnership fund money. We get \$546,000. Now, I know there are differences: We're in the region of Waterloo; we have our own police force; we have our social services that we run differently. But something doesn't ring right there with me in that situation.

So that's my request, and I'd be prepared to try to answer any questions.

By the way, the region of Waterloo has taken it upon itself to provide an environmental fund. We have developed an ESL, an environmentally sensitive landscape area, in areas where we're protecting water—for all of your good. We have set up a fund in which farmers—not necessarily farmers, but anybody who owns that land—can apply to the region of Waterloo. We look at it, and if we feel that they're doing something good for that particular part of the environment, we will help to pay for that.

I'd suggest that maybe—you know, the other thing about it is, I'm sitting here listening to all of these things. I was at a regional meeting this morning, I'm here this afternoon and I have a township meeting tonight, and I'm thinking to myself, "If these people would do what I'm telling them, I wouldn't have to come here and tell them to do something. We would have our money and we would be able to do what we have to do." It's as simple as that to me, but I understand it isn't that simple. And let me tell you, I'm glad I'm not swimming in the canoe that you are to get yourself out of this situation, but we appreciate the stimulus money that we got, because we came ahead 20 years in our township, which we couldn't afford to do before.

So I'll try to answer any questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you for that presentation. The rotation calls for the Conservative side. We have a couple of minutes, if you have any questions.

Mr. Ted Arnott: I don't have any questions, but I very much appreciate what you've said today, Mayor Kelterborn, and the information that you've given us. I would look forward to getting a copy of the one-pager that you've given us so it's concise in summary.

Mr. Ross Kelterborn: There it is. I don't need to tell Ted anything about my—

Mr. Ted Arnott: I had the privilege of representing Wellesley township for eight years, from 1999 to 2007, but unfortunately no longer represent your fine community. But please extend our best wishes to everyone at the township council.

Mr. Ross Kelterborn: He's the only guy where I pick up the phone, call him, and I can be guaranteed an answer every time.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for appearing before our committee this afternoon.

Mr. Ross Kelterborn: Thank you very much for accepting me. I appreciate that.

The Vice-Chair (Mrs. Laura Albanese): Thank you. We are adjourned.

The committee adjourned at 1557.

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