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Thursday 28 January 2010

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Jeudi 28 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
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Hansard Reporting and Interpretation Services
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Thursday 28 January 2010

Jeudi 28 janvier 2010

The committee met at 0900 in the Hampton Inn, North Bay.

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

PRE-BUDGET CONSULTATIONS CANADIAN UNION OF PUBLIC EMPLOYEES

The Vice-Chair (Mrs. Laura Albanese): We will now call on our first presenter to come forward for the pre-budget consultations, 2010. I would ask the Canadian Union of Public Employees, CUPE, to come forward. Good morning. For the benefit of everyone present in the room I would like to remind everyone that each presentation is a total of 10 minutes. You will have 10 minutes for your presentation. That will be followed by up to five minutes of questioning. The questioning goes in rotation among the parties, and we will start with the official opposition. Please state your name for the purposes of our Hansard recording, and you may begin.

Mr. Aubrey Gonsalves: Of course; thank you. Good morning. My name is Aubrey Gonsalves. I'm the president of CUPE Local 2316 which represents workers at the Children's Aid Society of Toronto, and this is my colleague Christine.

Ms. Christine Allard: Hi. Mon nom, c'est Christine Allard. I'm president of Local 2049, representing this region's child welfare workers.

Mr. Aubrey Gonsalves: We're also here today representing CUPE Ontario's 30,000-plus social service workers to discuss issues affecting our most at-risk children in the province. Both Christine and I work with members from all across the province who deliver quality child welfare, children's mental health and daycare services. This is a care continuum that helps to ensure our next generation's safety and future well-being.

Acknowledging the difficult economic times Ontarians face and the positive initial steps the Liberal government has taken on poverty reduction, we respectfully submit that without additional and sustainable resources to Ontario's children's services, the issue of poverty and its causes will be compounded instead of redacted. It is CUPE Ontario's position that continuing to delay the costs of children's services in Ontario will

result in mounting deficits for the future. Making both an economic and social investment in services such as child welfare, children's mental health and full-day learning will be both a deficit- and poverty-fighting measure.

We wanted to briefly focus on three key children's social services: children's aid societies, children's mental health and child care.

Ms. Christine Allard: First, the state of child welfare agencies in the province: Since some positive policy direction in 2006, the transformation agenda, child welfare agencies have not been given the resources to maintain the positive traction that has been achieved through the aforementioned initiative. The current funding formula being used is broken and unfair. Moreover, agencies are told to do more with less in a context that could literally include life-and-death scenarios.

To be more concrete, we wish to offer some examples of how this unfair funding formula plays out in communities. Prior to the Ministry of Children and Youth Services stepping in late last year, the northern Payukotayno agency was facing a \$30.4-million budget shortfall. The shortfall is also disproportionately being felt by northern First Nations communities as a whole. Late last year, Grand Council Chief Patrick Madahbee stated, "Some of our agencies report that they will not have the funds necessary to provide the required services mandated by the Child and Family Services Act." The chief added that First Nations child welfare agencies are already being funded at levels 22% below provincial agencies across Canada before the announced cuts.

The desire for children to thrive in society is almost universal, but aside from the emotional context, child welfare services are likely too expensive for society not to fund adequately. If the government was to invest in child welfare and restore funding to the sector, the spinoff effect is that Ontario's share of the numbers would decrease in key areas such as employment, health and social services cost. This money could be utilized to sustain the child welfare sector in the future and work to obtain the province's anti-poverty goals.

We understand that currently solutions are being examined through the recently formed commission to promote sustainable child welfare, which is expected to make recommendations on changes to the system as a whole. Our members plan on participating in the consultation process and want to hear what the commission will say in the upcoming months. However, they are a long

way off from reporting any recommendations on the aforementioned situation, and this is a situation that needs immediate and decisive action. It is CUPE's belief that stability is needed while the commission does its important work, and funding ought to be provided in order to allow agencies to effectively plan and deliver services as long as the current funding crisis remains unresolved.

It has been said that the true measure of a society is in how it takes care of its most vulnerable citizens. Disadvantaged and abused children are surely the most vulnerable. We urge you to consider that these children already have so much working against them. We urge you not to allow an underfunded child welfare system to be yet another hurdle in life that stands in the way of their safety, security and well-being.

Mr. Aubrey Gonsalves: The second issue, which can have long-lasting effects on an individual and society, is children's mental health. This sector of children's social services is the clearest example of how delaying costs will only multiply them later.

There is an array of savings that could be realized when effective children's mental health treatment is available. Some estimates put the costs of mental health on the Canadian economy at \$30 billion. An investment in this sector could keep our labour market working by offering treatment, lower the provincial deficit by managing budget items associated with health care, and not add to social issues sometimes associated with mental illness, such as homelessness.

As detailed in the 2008 Auditor General's report and a 2006 Ontario government policy framework, 15% to 21% of children in Canada deal with some form of mental health issue. In Ontario, this translates into an estimate of between 467,000 and 654,000 children. This becomes more severe when one considers that suicide is the second-leading cause of death for 10- to 19-year-old children, and the scope of this issue is likely growing. The Ontario Auditor General estimates that only one in six children receives services. For a number of northern First Nations communities in 2009 served by the Payukotayno child welfare agency, tragedy struck over and over again, with 13 youth committing suicide and another 80 attempting the act.

Even with the investment the Ontario government has made, programs are inconsistent, and waiting lists are still very long. Regardless of the past funding increases to children's mental health, there has not been a significant boost to core programming funding in the past 10 years. Again, we see an under-resourced sector that, when not properly managed, has far-reaching social and economic effects on our province.

Ms. Christine Allard: Moving to our final key component of children's services, child care, which quite rightly is beginning to be viewed as a holistic program of early learning and child care, this is also where there has been the biggest shift from positive developments.

The Ontario government has made a historic and significant investment in addressing the issue of early

learning through the soon-to-be-implemented full-day learning program for four- to five-year-olds, which arose from the report *With Our Best Future in Mind*. However, as this program materializes, there are potential unintended negative consequences both on the horizon and doorstep that are affecting the province's child care system and need immediate attention. Take, for example, the recent news that child care spaces may actually disappear in both Windsor and Toronto.

The importance of this sector to society and the economy is difficult to refute. Economically speaking, child care multipliers and indicators are impressive. For example, some studies have indicated that child care may have equal or stronger linkages to the economy as the retail and tourism industries.

Quebec, in their universal program, has seen the benefit. The C.D. Howe Institute has reported that 40% of the costs of the child care system was covered by new tax revenue from an increased labour market that resulted from the system.

If Charles Pascal provided a solution to early learning in the province, we should follow it. At the same time, if there are aspects of the implementation that negatively affect the provision of child care, they too need to be addressed, for compelling economic, equality and social reasons.

Mr. Aubrey Gonsalves: To conclude, child welfare, early learning, child care and children's mental health services are too important to cut, even in these difficult economic times. Moreover, the evidence suggests that we will compound future budget problems if these services are not provided in a way that effectively delivers service.

Ms. Christine Allard: Poverty already costs too much money in real and social costs, and these three elements of current and future child welfare often represent the first and last lines of defence for children and their families in the struggle against poverty and its fallout.

Mr. Aubrey Gonsalves: As a final illustration, as estimated by the Ontario Association of Food Banks, the cost of poverty to the province in 2008 was between \$32 billion and \$38 billion. The poverty rate is estimated to grow to 13.6% this year, which is up from 10.3% in 2006.

Ms. Christine Allard: These numbers and the people they represent suggest we cannot afford not to support an effective, holistic proactive and sustainable child welfare system encompassing what we discussed today.

Mr. Aubrey Gonsalves: Finally, both Christine and I would like to thank you for your time and patience. We look forward to the government making future progress on these issues. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for that presentation. This rotation will go to the official opposition. You may begin.

Mr. Norm Miller: Thank you for your presentation this morning. I'm interested in a few of the points you raised.

0910

I believe you said that the funding for children's aid societies is lower in the north than in other parts of the province. Is that on a per-child basis, or how do you figure that out? Can you talk a little about that disparity?

Mr. Aubrey Gonsalves: First of all, I'll give you an example of what's happening in the Simcoe county CAS. It recently reported that for a child in foster care, there's a \$16-a-day shortfall that the agency must absorb. It costs more to place a child in care than what the government is giving them.

What's also not calculated in the funding formula for northern communities is travel costs. In some of these remote First Nations communities, workers need to fly in—there are no roads.

Mr. Norm Miller: So is it that they receive equal funding to the south but the costs are higher, or that they receive less funding in the north?

Mr. Aubrey Gonsalves: I think the funding formula doesn't adequately compensate for some of these extra costs that the north experiences. As well, there is additional funding, like the chief, Patrick Madahbee, said: First Nations child welfare agencies are already being funded at a level 22% below provincial agencies across Canada.

Mr. Norm Miller: Okay. That's the figure I heard you say. I was just interested in kind of a breakdown of how that works.

Mr. Aubrey Gonsalves: Yes. In Toronto and in the southern areas, they look at the cost of living. Per diem rates—they're different across the province, and that impacts.

Mr. Norm Miller: Okay. Thank you. With children's mental health, you said that only one in six children are being treated at this time. Have you got a dollar figure? Ideally, obviously, all children would be treated. Is there an ask in terms of how much money is required to treat all children?

Mr. Aubrey Gonsalves: There is. I don't have those figures on me, but I will definitely get them to you. I know that you'll be in Toronto upcoming, and we'll definitely make sure we have those figures for you.

Mr. Norm Miller: Lastly, you were talking, in a positive light, about full-day kindergarten. So far, we've had a few days of hearings in Niagara Falls and in London. I think it was in Niagara Falls that a parent came to do with children's mental health who also had a child who might benefit from full-day kindergarten. We were saying, "The province has a \$24.7 billion-deficit. If you had to make a choice between having full-day kindergarten and having mental health care for your child, which would you choose?" She said, "No question: mental health care." If you had to make that choice, is that the choice you would make as well?

Mr. Aubrey Gonsalves: I think that's a type of choice that would put a person between a rock and a hard place. I think both are quite important. When you're asking, "Which is more important?", I think children's mental health, when you're talking about the effects that it has

long term, as well as currently—especially in the north, around the youth suicide rate.

Mr. Norm Miller: That's certainly what this parent said. You also said that there were negative impacts of full-day kindergarten in terms of daycare spaces in the Windsor area, I believe you said. Can you expand on that? And I believe my colleague has a question.

Mr. Aubrey Gonsalves: Yes. In both Toronto and Windsor, what's happening is that with the all-day early learning in the schools, the four- and five-year-olds are being pulled out of daycare, which is leaving spaces unfilled at this time. It's a very quick implementation. The daycares haven't been prepared for this, with the withdrawal of these spaces. Many families are still waiting for a subsidy to get into these daycares. So there's no kind of, "We're going to pull these kids out and put them in this all-day learning, and what's going to happen to these spaces?" So there were no immediate subsidies for these families to get in there. So what's happening is that the daycares have extra spaces that they can't afford to keep open. They're looking at closing down. That's what the examples in Toronto and Windsor are about.

Mr. Norm Miller: Thank you.

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

Mr. Toby Barrett: Your recommendations on mental health: You call "to resolve administrative issues" and for a "coordinated and accessible system." Is there any valid reason why mental health for adults is in the Ministry of Health and for children it's in another ministry?

Mr. Aubrey Gonsalves: No.

The Vice-Chair (Mrs. Laura Albanese): Quick answer, please.

Mr. Aubrey Gonsalves: No. I don't have an answer for that, but we'll definitely get back to that.

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

EASTHOLME HOME FOR THE AGED

The Vice-Chair (Mrs. Laura Albanese): We will now call on our second presenter, the Eastholme Home for the Aged. Good morning. You will have 10 minutes for your presentation. That will be followed by up to five minutes of questioning. In this rotation, the questioning will be done by the NDP. If you could identify yourself for the purposes of our Hansard recording.

Mr. Steve Piekarski: Good morning. My name is Steve Piekarski. I'm the administrator of Eastholme. I've held that position for 25 years.

Eastholme is a 128-bed home for the aged. It's operated by the board of management for the east district of Parry Sound. We want to thank you for this opportunity to address long-term care.

Looking back, we give credit to the provincial government for tackling the monstrous job of combining

three acts into a new Long-Term Care Homes Act, and here in the provincial riding of Nipissing, we thank our MPP, Monique Smith, for her efforts and dedication to long-term-care reform.

During the last couple of years we have received provincial funding for the personal support worker and registered practical nurse initiatives. This has been a direct benefit to our residents. In 2009, we received one-time funding of \$1.55 per day per resident for our accommodation envelope to improve the care, environment and safety of our residents. This is very much appreciated, and it was very timely.

In looking forward, first off, let me say that we really enjoy providing home care for our residents. It's what we do and it's what we enjoy. At Eastholme, we remain committed to providing a home that the residents can call home. There is nothing more gratifying than having a family member confirm that when they've had their mum or dad out of the home for a visit, after the visit, their mum or dad would say that they were anxious to get back to Eastholme. We know we're doing the right thing when we get those comments, or when family will say to us on the death of a resident that they have appreciated the care and love given to the resident by our staff.

We are aware of the financial problems in our province and country and the impact this is having on the lives of many people. Today I would like to address three issues facing our home and the long-term-care sector. Although there are many more, I'll concentrate on three.

Number one, annual operating funding: Today, this is an appeal for more provincial funding. Why? Long-term-care homes are required to comply with the applicable legislation, regulations and standards set by the province for the provision of services to our residents. Otherwise, we are subject to non-compliance orders being issued and having them posted on the provincial public website.

Since we are required to meet all the standards and ensure that residents' rights are met, then we must be adequately funded by the province to do this. Funding increases must be received each year to offset the inflationary increases to our base costs—for example, maintenance contracts, supplies, utilities, collective agreements, and staff moving up on the wage and vacation grids. Our base costs are continually increasing each and every year. As well, we will incur extra costs implementing the new Long-Term Care Homes Act and regulations.

I'd like to cite an example. We will be required to increase the dietitian's time. For Eastholme, this will mean an additional cost of \$15,000, which is money we just don't have. We do not have the right or option to say to a resident, "You are not going to get the full level of services as a means to save money within our budget."

Therefore, reducing services will put us at risk of being non-compliant with the standards, and we certainly can't reduce the number of residents, as our funding is tied to occupancy, especially in light of the significant number of alternate-level-of-care patients at the hospital waiting for long-term-care beds and our own lengthy

waiting list, with 150 applicants on it. We'd like to point out that we have 27 people who have been waiting for over 18 months for a bed.

The ability of our homes to provide high-quality resident care and services is inherently tied to appropriate funding from the province. In the absence of provincial funding increases for 2010—we haven't been informed what the increases will be, and we're optimistic that there will be some—we are forecasting an operating deficit of \$450,000 if we don't receive provincial funding increases. If we were to levy our 14 supporting municipalities for the entire operating deficit of \$450,000, this would result in a 95% increase to their municipal levy, which is a disproportionate sharing of the costs and unacceptable to them.

Our supporting municipalities are presently reviewing this situation, and they're passing resolutions of support for increased annual funding from the province to alleviate the burden to them.

0920

Item two: There's an immediate need to increase the accommodation per diem funding to A-category homes, and I'd like to explain. We receive funding for four envelopes: nursing and personal care, support services, raw food, and accommodation. Included in accommodation are the departments of dietary, housekeeping, laundry, maintenance, administration and facility, being our utility costs. All those are grouped into one envelope called accommodation, and we receive a per diem for accommodation. During the years 2001 to 2004, we were fortunate to receive provincial funding to convert our D-category home into an A-category home, meeting all the new design standards. This is absolutely wonderful and great for the residents, but this process has created a home that our district—while we can be proud of it, it has placed us at a disadvantage with other homes that are not yet redeveloped, and I'd like to explain.

The total square footage per resident of an A-category home, with resident home areas of 32 residents in a home area, is considerably bigger. It's more than homes not yet redeveloped to the new standards. Our home grew from 621 square feet per resident to 936 square feet per resident. The increased size of the home requires additional operating costs. For example, housekeeping has more rooms, bathrooms and common areas to clean. We require additional dietary staff to deliver nourishments and provide meals in four dining rooms instead of one dining room. Again, this is all better for the resident, but there's an added cost to doing that. And of course, there are the additional costs related to supplies, heating, lighting, insurance and equipment.

I'd like to put that in perspective. That difference between 621 and 936, of 315 square feet—if you multiply that out for 128 residents, that equals about 40,000 extra square feet. If you divided that by 2,500 square feet, being an average home that we would live in, that would equal 16 homes. So we're carrying the cost of looking after that much more, with the same funding that a home would get with the same number of residents but not yet

redeveloped. And we can't do it; we can't stretch the dollars far enough to cover that.

So this is another appeal that the A-category homes require more funding for these additional operating costs. We suggest that a new A-category accommodation per diem be introduced in 2010. We are willing to assist the Ministry of Health and Long-Term Care in a review of this challenging item.

The last item I'd like to address is the provincial funding in respect of the unorganized parts of the territorial district. Currently, the province of Ontario is providing a payment each year to the district of Parry Sound social services administration board in respect of their annual operating budget. This particular payment reflects the costs that would be borne by the unorganized—and I'll qualify that by saying "unincorporated"—parts of the territorial district of Parry Sound. However, the province is not currently providing a similar arrangement for the boards of management such as Eastholme that are operating district homes for the aged. We have the unorganized parts within our jurisdiction as well—the same unorganized areas.

I'd like to point out that Eastholme and other district homes for the aged have in the past received these funding payments for our capital projects and for our operational budgets.

The Vice-Chair (Mrs. Laura Albanese): I'd like to point out that you have about a minute and a half to finish.

Mr. Steve Piekarski: Thank you. For our last two capital projects, during the period 1998 to 2004 we received payments for the capital. What we're asking for is a continuation of the operating payments. The information is available through MPAC—and since it's being provided to the DSSAB, we see no reason why it can't be continued for our home.

In summarizing, I'd like to leave you with a story. Two old gaffers are sitting on a park bench and they need a ride back to their long-term-care home. Between them, they have \$5. They're trying to decide on whether they should spend it on a couple of hot dogs and then hitchhike back or use it for taxi fare to get them partway back. Along comes a beautiful woman who stops in front of them to buy a hot dog from the vendor, and she accidentally drops a \$20 bill from her purse. One of the old men reaches out with his cane and retrieves it. Being honest gents, they inform this beautiful woman, and she rewards them with a couple of hot dogs and a ride back to their home in the back of her Dodge Ram truck. Now, this message, I would like to say, is that we, the operators of the long-term-care homes, don't want to be left on a park bench. We don't want to make it halfway home with our budgets. We're not asking for a limo ride either, but we have the seniors in our care and we don't have sufficient money. We need you, the government, as a partner, and we need your help. There is a growing number of seniors in the province, and this trend has been creating a crisis in the demand for long-term-care beds.

Please help us. Please increase the funding so that we can meet the standards and provide the care that our residents need. Thank you very much.

The Vice-Chair (Mrs. Laura Albanese): Thank you for that presentation to our committee. This rotation will go to the NDP. Mr. Prue.

Mr. Michael Prue: Yes, just a question first, because you never actually state this—not that I can find. Is this a for-profit home, a non-profit home, a church-run home? What kind of home is it?

Mr. Steve Piekarski: Eastholme is a non-profit district home for east Parry Sound district. We are operated by a board of management. The boards of management are formed under the Homes for the Aged and Rest Homes Act. So we're a non-profit, municipal home.

Mr. Michael Prue: All right. And what you're saying is that you need additional funding. How much additional funding will allow you to give the A-class service that you've talked about? What is the dollar amount, in the end? What does Eastholme need to provide all of the services that you're mandated to do and look after the residents and not make a profit?

Mr. Steve Piekarski: In short, for 2010 we are forecasting a \$450,000 deficit, in the absence of provincial funding. So, to answer your question, we would need at least that much money just to hold our own and pay the bills. That wouldn't be increasing any additional services to our residents, which would require additional dollars on top of that.

Mr. Michael Prue: And \$450,000 is what percentage of what you're getting now?

Mr. Steve Piekarski: Our total budget is \$8 million.

Mr. Michael Prue: So that would be, just doing fast math, maybe 5%, 6%?

Mr. Steve Piekarski: That would be 5% of our total budget.

Mr. Michael Prue: So a 5% increase will make sure that this home continues to do what it's supposed to do.

Mr. Steve Piekarski: Correct.

Mr. Michael Prue: The absence of the 5% will mean—I don't know what it will mean, because you've got—

Mr. Steve Piekarski: Yes. I have to explain that we can't cut services. We're mandated to provide the services, so we can't cut them. If we do cut them, we're doing a disservice to the resident and we're subject to non-compliance orders being issued by the compliance inspectors. That gets posted, and then we have to comply and have a plan of action to correct them.

Mr. Michael Prue: The only other alternative that I can see that you set out here is that you have to go back to the municipalities, I guess, and that would be considered some kind of a downloading, because they'd have to pick it up.

Mr. Steve Piekarski: That's correct. Being a district home, we're fortunate in that we do have municipalities that we can turn to, but there are many homes in the province—I'm not here speaking just on behalf of Eastholme—that don't have that. They're charitable

homes, non-profit nursing homes. They don't have the ability to go back to another source of income, so they are going to be stuck. So my presentation is directed from the long-term-care sector and the need for that additional funding to come in to help us cover our base costs.

Mr. Michael Prue: Now, you did set out that \$450,000 would be a 95% increase, so I would assume, using the math, that these 14 municipalities currently pay about—

Mr. Steve Piekarski: It's \$470,000.

Mr. Michael Prue: So \$470,000. So to us, you're literally asking them to double the amount that they pay. They all look like—and I know most of them—they're pretty small municipalities.

Mr. Steve Piekarski: Well, they are. The entire population of our district is only about 22,000 people. It is very small.

Mr. Michael Prue: That's like 20 bucks a head, right across the board, that everybody would have to pay.

Mr. Steve Piekarski: Putting it that way, yes.

Mr. Michael Prue: Okay. Thank you. Those would be my questions.

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

Mr. Steve Piekarski: Thank you for the opportunity.

ALZHEIMER SOCIETY OF NORTH BAY AND DISTRICT

The Vice-Chair (Mrs. Laura Albanese): I will now call upon the Alzheimer Society of North Bay and District to come forward. You will have up to 10 minutes for your presentation, and that will be followed by up to five minutes of questioning. In this rotation, it will be the government side. Please state your name before you begin for the purposes of our Hansard recording. Thank you.

Ms. Linda Brown: Good morning. My name is Linda Brown. I'm the executive director of the Alzheimer Society of North Bay and District, and I am the counsellor there as well.

To the Chair, members of the committee, ladies and gentlemen, thank you for providing the Alzheimer Society of North Bay the opportunity to present to the Standing Committee on Finance and Economic Affairs on the business related to dementia in Ontario, specifically northern Ontario. I am representing today the six Alzheimer societies in northern Ontario.

0930

On February 1, 2010, the Alzheimer Society of Ontario will be speaking with you about the issue of caregiving. We support the ASO's recommendations, in addition to those we are presenting to you today. It is our hope that you will consider the recommendations from the Alzheimer societies in the budget for 2010.

In August 2007, the Ontario government introduced the aging at home strategy. This initiative has benefited the lives of people living with dementia and their

caregivers. We are pleased with the success of these initiatives from the government but recognize that much more work needs to be done. The focus of our presentation is on the following areas pertaining to dementia: prevalence and impact, and prevention as the key to curb the increasing health care spending.

What is dementia and Alzheimer's disease? Dementia is a syndrome with symptoms that include loss of memory, judgment and reasoning. Changes in mood, behaviour and communication abilities are also noticeable. These symptoms may affect a person's ability to function at work, in social relationships or in day-to-day activities.

Alzheimer's disease, the most common form of dementia, is a progressive degenerative disease of the brain which causes thinking and memory to become seriously impaired.

After Alzheimer's disease, vascular dementia is the second leading cause of dementia.

Persons with Alzheimer's disease or dementia still fight against the same stigma as other people with mental health issues or psychiatric disabilities. Added to that is the fact that we still live in an ageist society, and many seniors feel marginalized and isolated, as they are often considered a health and economic burden.

About the six Alzheimer society chapters: The Alzheimer Society of Ontario was founded in 1983 and supports a province-wide network of 39 chapters. Across northern Ontario, six independently incorporated chapters provide services to support the vision of a world without Alzheimer's disease and related dementias. Alzheimer society chapters provide a range of services, including group supports, counselling, information, public awareness, and dementia-specific education for front-line health service providers. Some also provide day programs and respite. Our main goals are to improve service and care, help with funding and support for research, educate the communities we serve, and create awareness and mobilize support for the disease.

With respect to prevalence and impact, more than 180,000 people in Ontario have dementia, and in less than 25 years the number will double. In northern Ontario, we have over 11,000 people with dementia. By 2016, that number will rise to over 13,300 people, an increase of 21%. Dementia is the leading cause of disability in Ontarians over 60, causing more years lived with disability than stroke, cardiovascular disease and all forms of cancer. Most Ontarians with dementia today are supported outside of institutions, in their homes with families.

Dementia has a dramatic impact on the health system as well. Persons with dementia use one third of alternate-level-of-care beds today. Dementia is highly correlated with hip fractures, and persons with dementia occupy over 60% of our long-term-care homes. Some 57% of older persons presenting at one emergency room had a cognitive impairment at that time.

In Canada, the economic burdens of dementia will double every decade, increasing from \$15 billion in 2008 to \$153 billion in 2028. The number of Canadians 65 and

over living at home with dementia is expected to jump from 55% to 62%. This translates into an additional 510,000 people in this type of care by the year 2038. Most will seek some type of community care, resulting in a significant shift from long-term care toward home or community-based care.

In partnership with the Ontario government, we have the opportunity to curb this spending by investing in prevention and health promotion efforts related to brain health.

What needs to be done? The Alzheimer society's report *Rising Tide: The Impact of Dementia on Canadian Society* finds that there are four interventions that are going to be critical in reducing the impact of dementia: increasing physical activity, delaying the onset of dementia, caregiver training and support, and system navigation. Today we are focusing on interventions related to prevention.

Dementia prevention: Several prevalent health problems present significant risk for dementia. Type 2 diabetes, vascular disease, hypertension, strokes and obesity are prevalent diseases that are so highly related that comorbidity is common. In fact, the chances of having cognitive decline when one has type 2 diabetes and hypertension are significantly higher than for a person who does not suffer from either one of these conditions. A recent study refers to Alzheimer's disease as type 3 diabetes. Diabetics increase their chances of developing Alzheimer's by up to 65%, compared to those without diabetes. Researchers believe Alzheimer's develops when the brain becomes insulin-resistant, much like type 2 diabetes.

Although cardiovascular disease, obesity and type 2 diabetes may be the result of lifestyle choices or family history, these diseases can be managed through many avenues, including diet, exercise and reducing stress in your life. The same activities that keep the heart healthy, such as good nutrition and exercise, will produce and maintain a healthy brain. Challenging cognitive activities can also help to reduce age-related cognitive decline.

It has been indicated that at autopsies, 60% to 90% of those with Alzheimer's disease show cerebrovascular pathology. The links between heart health and brain health are becoming increasingly recognized, including the growing realization that issues related to vascular health play a significant role in the expression and severity of dementia.

We urge the Ontario government to dedicate more resources to health promotion and prevention of chronic diseases in order to help stem the tide of dementia. The Alzheimer societies across northern Ontario believe that as part of a cultural shift, programs like First Link can strengthen the delivery of health care support. First Link is a referral process in the community that can provide early access for families into this health system and help them gain awareness of Alzheimer's disease and/or related dementias. This allows planning, effective coping strategies and knowing where and when to access the community resources that can offer relief.

Today, we are asking you to: invest in prevention—prevention investment now will avert future costs, as we have demonstrated in *Rising Tide*; broaden an active-living message to all generations—special supports to enable access to opportunities for all groups.

Today, we thank you for recognizing our efforts in providing the necessary services that assist our community.

Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your submission. The questioning will go to Mr. Zimmer.

Mr. David Zimmer: I was the president of the Alzheimer Society of Canada for a number of years, so I appreciate everything that you're saying. Can you help us with this question? Obviously, if the Alzheimer societies need more money and so forth and so on, I understand that, but in a world where we have a \$24-billion deficit and where tax revenues are down 47%, there are really only three ways that the province can get its finances under control: either raise taxes, cut services or build up the economy so that we get those tax revenues back.

What advice would you have for us in terms of getting the finances of the province back in shape so we can help the Alzheimer societies of Canada and Ontario?

Ms. Linda Brown: What I can tell you is that I'm a counsellor at the Alzheimer Society, and I deal every day with families who are trying to cope and manage with dementia people—with family members, whether it be a parent or a spouse or an aunt or an uncle, or simply a friend.

I had a case not too long ago where the spouse could no longer manage for her partner. He was totally incontinent, got very aggressive and we had to, unfortunately, hospitalize him. In turn, his income basically left, and she was left with very minimal income.

Part of our job as counsellors is offering support systems and education, but I found myself in a position where I had to help her find affordable housing and help her find other sources possibly of income because she also had some severe medical illnesses. When you see that, it's heartbreaking—

Mr. David Zimmer: No, but the question is, where would the province get the money to help? Have you got any ideas on that?

0940

Ms. Linda Brown: I think you need to really focus on making people aware and providing education for a lot of preventative stuff. Where you're going to get the money from—I mean, people don't like tax increases, services don't like their services being cut—

Mr. David Zimmer: So what would you do?

Ms. Linda Brown: I don't know what I would do. I wouldn't want to be in your shoes.

Mr. David Zimmer: But that's the core problem that all governments have: finding sufficient monies to pay for all the very good things that we all need and want. That's what a budget is all about: How are we going to find the money?

Ms. Linda Brown: I think when you're doing your budget, you have to look at what your costs are going to be, not just today and tomorrow. Are they going to increase in the future? If they're going to increase in the future substantially, such as we indicated with our numbers, as we were expecting the dementia and Alzheimer's cases to increase, I would think you'd want to put in measures where you increase your spending or to take a look at what we're going to do.

We know this problem is going to be coming in 10 years; what are we going to do today? Is it best to increase taxes now, putting it into prevention so that 10 years from now, we don't run into the problem where we're going to have 510,000 extra people who we're going to have to provide service for because we can't leave them out on the street? Then what are we going to do?

It's a long time that we've known that these baby boomers are coming up and that the health issues with that are going to increase. We've known that that's been coming, but what have we done to prepare for it? We're having problems. We know that we're in economic hard times and we know that we have an enormous deficit, but what are we going to do with these people? We can't put them out on the street. They can't live alone.

Caregivers are getting sick. They're burning out. They're being hospitalized for other conditions—

Mr. David Zimmer: I appreciate that, but we're back to the problem. Where will you find—can you help us with some thoughts on where you would find the resources to handle all of that? It should be handled. We could raise taxes. We can cut services in other places. We can have a whole lot of initiatives to rebuild the economy and generate more tax revenues to pay for everything. Do you have any ideas on which of those initiatives—

The Vice-Chair (Mrs. Laura Albanese): The time has unfortunately expired, Mr. Zimmer.

Thank you for submitting to our committee this morning.

Ms. Linda Brown: Thank you.

Mr. David Zimmer: You see how hard the problem is?

Interjection: You're supposed to have the solutions, not her.

Mr. David Zimmer: I was asking for advice.

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

LEISUREWORLD CAREGIVING CENTRE, NORTH BAY

The Vice-Chair (Mrs. Laura Albanese): We will now call on Leisureworld Caregiving Centre, North Bay. Good morning.

Ms. Ruth Gauthier: Good morning.

The Vice-Chair (Mrs. Laura Albanese): I would remind you that your presentation will be up to 10 minutes, and five minutes for questioning, which in this

rotation will come from the official opposition. If you could please state your name.

Ms. Ruth Gauthier: My name is Ruth Gauthier. I am the director of administration at Leisureworld Caregiving Centre in North Bay. I have been with Leisureworld for 25 years in various different capacities. I've worked as a health care aide, RPN and RN. I was the director of care and now I'm the director of administration.

Leisureworld Caregiving Centre is an OLTC member home, and we're represented by them. Leisureworld Caregiving Centre, North Bay, is home to 142 long-term-care residents and six convalescent care beds. We've been providing services to the community of North Bay as Leisureworld since 1981.

Over that period of time, we have seen changes in many areas requiring increased surveillance and expertise of our care providers. This includes more stringent infection control practices; an aging, more frail client base with multiple diagnoses and medications; and a mix of age groups with specialty needs including developmental disabilities, dementias, mental health diagnoses and chronic illness. We've seen an increased demand for auxiliary services such as occupational therapy, physiotherapy and speech language pathology. We've also seen an increased public awareness and demand for services and increased reporting accountability and standards; we have no problem with that.

We have been able to contribute to this higher level of care that is required by renovating our facility to create an Alzheimer's dementia care unit; increasing our staff skill level to allow for complex conditions and admissions with complex wounds, where appropriate; enteral feeding; and monitoring infusions, which are things that, in my experience, 25 years ago we would have never seen in the home.

We also provide six beds for the delivery of convalescent care to the community. This initiative in particular has allowed for better access to client health care in the community. The program allows for an additional 90 days of convalescence to clients, better preparing them for a return to their home in the community. This helps to relieve pressure on the health care system, freeing up space for more acute needs. It contributes to clients being in the right place at the right time and receiving the right level of care.

I'm appearing here today requesting your support to ensure that the necessary deficit management measures that are put in place do not result in reductions to the care and service level that our residents need. We're concerned that if the budget does not enable us to maintain our current care and service capacity, the result will be felt by the residents and the access to health care in our community.

Residents, families and our community partners are very sensitive to even minor changes in our ability to provide service. Some of the areas that could be affected by this would include our admission processes and our capacity to admit in off times, like on weekends, or the number of admissions we might be able to take in one

day. This affects both the clients and the service providers, because we are very well aware of the growing ALC, or alternate level of care, pressures in the northeast and how extra time and an inappropriate placement affects our clients. Our ability to manage complex care or special needs such as behavioural issues is affected by minor changes in our available service, as the needs of these clients can tip the scales as to what we can handle and still maintain a safe and risk-free environment.

In 2009, the Ministry of Health and Long-Term Care recognized risks from the erosion of funding for support services and found \$43.5 million in their budget to help stabilize existing support service levels. This meant that we were able to maintain our staffing levels and the flexibility to address mandated changes in areas such as infection control, where decisions at the provincial level affect the long-term-care environment and what expectations we need to meet. We were thus able to maintain excellent infection control for our residents, staff and families. In addition, this allows us to continue to maintain our ability to relieve pressure on our community partners with the local ALC problem. This funding was identified as one-time, and even though it has been included in the 2010 budget submission to the finance ministry, there is no assurance it won't be cut.

The requirements for infection control will not disappear if the funds do, so loss of this funding could potentially decrease our ability to maintain the increasing standards we are being asked to meet and possibly result in downtime, where we cannot fill our beds during outbreaks and such things. This will affect our ability to admit residents from the hospital who present with infection control issues, such as *C. difficile* and MRSA, which require extra precautions. We currently realize a large amount of pressure to accommodate these types of issues in the home, and we are able to at this time. Any decision not to continue to fund the 85% of homes' property tax costs or to continue to adjust the resident copayment would have similar impacts on support service levels.

The government has recognized this as an area of need—as evidenced by past practice—and needs to continue in this direction. Any decision not to continue the annual adjustments to direct care funding will impact the home's ability to retain nurses, PSWs and other direct care staff and thus the home's overall care-delivery capacity.

Direct care funding is normally adjusted 2.5% to 3.5% annually, which enables homes to absorb wage increases and the impact of CMI adjustments on staffing levels. In the absence of this adjustment, we would have no choice but to adjust staffing levels accordingly. As an RAI-MDS pilot home, our CMI has been frozen for the past three years at 104.03. Our CMI has remained constant, and we would not have been able to maintain our levels of staffing without that acuity and stabilization increase.

The long-term-care sector is facing new requirements that have significant costs which, if not fully funded, will result in care and service reductions. The HST will

increase total net operating costs for the 360 publicly funded, privately operated homes by \$12.2 million and trigger a service reduction to 40,000 of the province's 76,000 residents based solely on operator type. We are one of those homes. This cost has been calculated by our association as after any income tax benefits and input tax credits are accounted for. We do not get the MUSH sector rebates for GST, and we will not get the provincial portion of the HST on past tax-exempt items and utilities. Service reductions are the only option for us to manage the costs: on average, one full-time equivalent per affected home.

0950

Draft regulations under the new Long-Term Care Homes Act contemplate additional direct and indirect costs: \$34 million to meet increases in food service worker hours as well as overall nursing care administration. If not funded, long-term-care homes will not be able to comply without reducing care and services elsewhere in the home.

I'm requesting the committee's support to ensure that resident care and service levels do not become a deficit-reduction solution by continuing to fund the \$43.5-million 2009 increase, as well as the annual funding adjustments, the property taxes and the resident copayment increase to stabilize support service levels. Continue the annual adjustments to direct care funding to stabilize nursing and care staff levels, and avoid imposing new requirements like the HST and the regulations unless the costs are fully funded.

In closing, on a regular basis, we are asked to admit clients in crisis, or multiple clients late on Fridays and on weekends, when our external resources are decreasing. Currently, we comply with this when everything is in place in advance and it's safe to do so. We want to help support our community partners. If our care and services decrease, we will not be able to continue to safely support these clients in transition at these times.

Also, with the way our funding is now, we have a certain amount of flexibility at times to do individual things for residents, and we want to be able to continue to do that to make sure that they're in a home-like, caring environment that meets their individual needs.

Our residents and their families expect to find many things in long-term care, things that support a safe, caring, quality, home-like living environment for those who need it most. They don't expect to find care and service reductions.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation. We will now turn it over to Mr. Shurman.

Mr. Peter Shurman: Thank you very much, Ms. Gauthier, for an excellent presentation. If I may be permitted a personal comment, my mother spent her last two or three years with Leisureworld and got an excellent standard of care. In my professional life, I've had a chance to talk with the senior management of your operation, and it has given me a bit of a background. In fact, I'd like to delve into that and ask you a question.

I know that there's a question of transferability between the allocation of funds that go, for example, to food, to shelter and to care, so that if you have an excess in one, you can't just write a cheque and make it go into another. Do you think that those kinds of regulations, that kind of enforcement, has to be revisited?

Ms. Ruth Gauthier: It might be something to look at, because right now you can't transfer things from one area to another. Programs and nursing have a certain allocated envelope amount, so if you don't spend it all, you pay it back at the end. It would be nice to be able to use those funds in other areas. You want to spend everything you have in the first place, but if you happen to end up with a surplus, you could put it in other areas. There are some fairly stringent rules about what you can spend those dollars on.

Mr. Peter Shurman: So it's not just a question of continued funding and being able to meet the growing demand; it's also a question of increased flexibility.

Ms. Ruth Gauthier: More flexibility would be helpful as well.

Mr. Peter Shurman: Okay. Let me get you to expand a little bit on the HST issue. This is obviously a controversial thing. It comes into play on July 1, and it affects you, as you have mentioned. Do you think that the government should have looked, before enacting legislation, at organizations like yours and said, "There is an impact without the appropriate input tax credit"?

Ms. Ruth Gauthier: I would like to think that before those things were actually put into place, that might have been looked at as part of the consideration to start with, so that all those areas that this was going to affect would have been examined to see if it was a feasible thing for them. It will impact us because things that weren't taxed before now will be, so our budget needs to absorb that.

Mr. Peter Shurman: Do you have a figure, for example, for the home that you represent in dollars that would be hitting you on an annualized basis—say, in the full calendar year next year?

Ms. Ruth Gauthier: No, I do not.

Mr. Peter Shurman: Could I ask you if it's in the thousands, tens of thousands or hundreds of thousands? Would you be able to give me a rough estimate?

Ms. Ruth Gauthier: Probably tens, but that's just a guess on my part.

Mr. Peter Shurman: Okay. Back in 2003, there was an allocation of a \$6,000-per-patient increase, which was given over, in the budget, to the care of patients in facilities like yours. Has that been fully delivered upon?

Ms. Ruth Gauthier: Would that be the dollars that were flowed in relation to the increased service requirement of two baths a week?

Mr. Peter Shurman: I believe so, yes.

Ms. Ruth Gauthier: At the time, our home was able to add staff to meet that additional requirement, which was great, because I know there were homes that were not able to do that; those dollars perhaps were just going to help them cover what they were needing to meet now. But in our case, we were able to add staff.

Mr. Peter Shurman: You were in the room when the Alzheimer people presented, and my colleague from the Liberal side asked a lot of questions about, "What would you do in the face of a \$25-billion deficit? Something has got to give." I'm going to play on that question and ask you not to make a recommendation, because I don't expect you to be able to tell us anything other than "Please don't take anything away from us." In the absence of any increase for you, you wind up with a diminished level of service that you've adequately described. What happens to me if I'm one of your patients in a year or two years, absent any increase in funding?

Ms. Ruth Gauthier: If you maintained everything where it was and didn't take anything away, with all those acuity increases and stabilization increases that we normally get, funding the new initiatives and helping us with the HST piece, I would think we would be able to maintain services the way they are.

That being said, we all know that could be better across the board in long-term care. There was a lot of review done of long-term care and discussion about the services that are in long-term care and how it needs to be better. We all could be there someday, and what would we expect to see when we get there? I would want to see no reductions.

Do I have an answer as to how I think the province could do that? Well, I guess if I knew where all the money went, I might be able to do that. If I was to review every little envelope, maybe I'd have a better idea—because I have to work within my budget.

Mr. Peter Shurman: Thank you so much.

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

I now call on One Kids Place.

The Clerk of the Committee (Mr. William Short): They're not here.

The Vice-Chair (Mrs. Laura Albanese): The next presenter is not here, so we will take a five-minute recess.

The committee recessed from 0958 to 1004.

ONE KIDS PLACE

The Vice-Chair (Mrs. Laura Albanese): We're back. We will now hear from One Kids Place. Please state your name before you begin for the purposes of our recording Hansard. After that, you may begin.

Mr. Peter Chirico: My name is Peter Chirico. I'm the chair of One Kids Place here in North Bay, our new children's treatment centre. I'm wearing a couple of hats today; I'm also deputy mayor of the city of North Bay. With me today is our mayor, Vic Fedeli, to join me in our presentation on the pre-budget consultations for the city.

I apologize; I believe that One Kids Place was to have someone here at 10 o'clock. I'm sort of unscheduled; I didn't realize that we were having a presentation. But I can certainly speak on it briefly, because I would like it to be noted that, along with my role as chair of One Kids

Place, I'm also the treasurer of OACRS, which is the Ontario Association of Children's Rehabilitation Services for the province, for kids with special needs. It's a very strong group which represents all the children's treatment centres across the province. We have an ask that is coming forward, certainly this year, for stabilized funding and increased funding for children's rehab services. We believe it is very important because we have had a freeze on increased spending to deliver those services and those needs for our children, certainly the ones who need it the most. Children with special needs need this increased funding.

We are very thankful that we were able to open, last year in September, our children's treatment centre, One Kids Place, here in North Bay. If any members would like to drop down and see it, it's absolutely beautiful. Norm Miller was able to join us, and I think, Norm, you were suitably impressed with the facility and the services that we deliver.

The main message that I do have with regard to both OACRS and One Kids Place is that we do have an ask in front of the minister for stabilized, increased funding so that we can proceed with the programs, the integration, the partnerships that we are forging throughout the province. Whether it comes to school support, whether it comes to children in need of dental facilities, all of these services are very important to our children. In essence, that is our request: that we receive stabilized, increased funding, because we've been flatlined for the past three years.

That, unfortunately, is about all I can say at this point. I don't have a written presentation. I will make sure that we do have a written presentation forwarded to you. I know that OACRS is presenting to the budget committee over the next few weeks at another location.

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

CITY OF NORTH BAY

The Vice-Chair (Mrs. Laura Albanese): We'll move on to the next presenter. We welcome the mayor of the city of North Bay, Victor Fedeli. Again, if you could state your name for the record, and after that you will have up to 10 minutes for your presentation, which could be followed with five minutes of questioning.

Mr. Peter Chirico: My name is Peter Chirico. I'm the deputy mayor of the city of North Bay and budget chief for the city.

Mr. Victor Fedeli: I'm Victor Fedeli, the mayor of the city of North Bay.

Mr. Peter Chirico: I'm very pleased to have the mayor with me. We didn't know if he was going to be back in time for this, so I certainly am pleased to have him here with me.

Thank you very much for having these consultations. We believe that they're meaningful, and that is why we're here. I have a number of comments. We will be

submitting a written submission before the deadline, and that will follow.

Ladies and gentlemen, many northern communities, including the five northern cities facing uncertain economic times, crumbling infrastructure and increasing pressures on operating budgets, were optimistic that the release of the Provincial-Municipal Fiscal and Service Delivery Review in October 2008 would provide the desperately needed shot in the arm, some relief from the rapidly increasing costs that have plagued us and our property taxpayers for several years. We were hopeful that the uploading of costs would provide tax room that would allow us to close that infrastructure gap that we all face.

The consensus report was a good deal for property taxes in Ontario. The relationship between the province and its municipalities has turned the corner with the announced long-term program to upload social assistance and court security costs, which will ultimately result in \$1.5 billion a year in net savings for the municipalities. By taking back full funding responsibility for these social assistance programs, the province is eliminating a major area of uncontrollable financial risk and uncertainty for municipalities and reinforcing the principle that the property taxpayers should not bear the responsibility for these income redistribution programs. We have moved from an era consumed with the frustrations of downloading to an era we can look forward to with uploading.

1010

Unfortunately, the review did not address changes to the structure of the Ontario municipal partnership fund to ensure that the net benefits from the uploading announced would benefit all municipalities more equitably. Most of the municipalities in the north, and in particular the five major cities in the north, have received no net benefit—and I emphasize that: no net benefit—from the uploading in 2008, 2009 or 2010. The full benefit has been clawed back by an equal deduction in the social program grant component of the Ontario municipal partnership fund. The net benefit per household for northern Ontario, in both the short term and the long term, is far less than the net benefit per household for all other regions of Ontario.

We've been encouraged, obviously, by the significant infrastructure funding provided by the provincial and federal governments over recent years. All of these fundings, from MoveOntario and the Investing in Ontario Act to roads and bridges initiatives and dedicated tax, have helped and are helping with the backlog in that infrastructure that we have to address as communities in the north.

Our challenge, though, is to identify reliable funding sources that will bring annual predictable capital funding levels to that sustainable level that we talk about in our infrastructure gap and infrastructure management report. The report has confirmed that the city of North Bay needs to increase our annual infrastructure investment by about \$20 million per year to reach the recommended sustainable level. This is almost double the current \$25-

million level of capital funding that we have provided from debt financing, tax operating levy, water bill levy and development charge sources.

Our roads: We all know the state of the infrastructure throughout the province of Ontario, and I'm not going to go through each and every one of the things we need. We know that we need it. The Provincial-Municipal Fiscal and Service Delivery Review included an excellent report by the infrastructure working table, and the consensus was that municipalities recognize the need to increase their investment. Municipalities benefiting from the upload of three major social assistance programs as a result of this review will have greater room in their budgets for infrastructure spending. The conclusions of the report in actions are clear. To address this, the amount of some \$1,200 per year per tax household in the province of Ontario, or an average increase of almost 50% to the current residential tax bills, will be required to fund this infrastructure gap.

The cities of the north need a significant net benefit from the uploading announced in the Provincial-Municipal Fiscal and Service Delivery Review to ensure they can continue to address the severe infrastructure investment gap. One item that is not addressed in the Provincial-Municipal Fiscal and Service Delivery Review, plus any of the funding that comes to North Bay, is the fiscal health of those communities. We don't address the fiscal health; we don't address the ability to pay. Unfortunately, the way that the formula is structured at present, it uses assessment and assessment values as the majority of the tool to provide those grants. Unfortunately again, we in the north have special needs. We in the north have lower per capita income; we in the north have worse health care outcomes. We in the north have all of these problems that plague us, and it does not allow us to address them, with the exception of placing that onto the property taxes.

The fiscal health of northern municipalities demonstrates the need for a relatively higher net benefit from uploading, not the lowest net benefit as a region.

Over the past number of years, larger shares of increase in the OMPF funding have benefited other regions of Ontario. The level of unconditional block funding from the province has risen considerably since 2004, and although there have been winners and losers across the province since the introduction of OMPF, a lower share of the total increased funding distributed appears to have been directed to the poorer regions of Ontario. The following summary, which you will receive in writing, will summarize where the funding has gone to and what the increases have been.

Needless to say, in northern Ontario, we have been the lowest, at 15.1%, versus the city of Toronto, which has received 100% net benefit.

We would argue that municipalities in northern Ontario are generally more in need of additional funding than municipalities in the high-growth areas of the GTA and central Ontario, and this trend will continue if the net upload benefit per household is not adjusted by changing the structure of the Ontario municipal partnership fund.

Our CFO, Brian Rogers, worked with the AMO group, looking at how it is distributed and the formula, and unfortunately it stops short of readjusting the formula. What has happened is, we have been clawed back. In our 2010 budget, this year alone the net benefit decreases to the city of North Bay by some \$545,000. You may say that \$545,000 is not a huge number, but that represents a 0.84% tax to our municipal taxpayers. Each and every one of them is going to not receive those monies. We have to adjust our budgets, trying to address our municipal infrastructure gap and increase spending in the right areas, not "want" projects but "need" projects. Our infrastructure is obviously very important to it.

The OMPF should not compensate municipalities for costs they will no longer have. We agree with that.

The social program assessment threshold component is where we think it's broken and where it doesn't address the specific needs of northern Ontario communities. Every one of the major northern Ontario communities is not receiving a net benefit from these uploaded costs—and trust me, we are very thankful that they are moving forward with the uploading.

Some of these uploads, as we know, don't start until 2012-13, such as court security, and won't take full effect until 2018. We have a number of years, and obviously municipal planning and municipal infrastructure spending can't take that moratorium through those days. So we are asking that you please bring consideration to revising that formula, opening that back up, to make sure that the cities of the north that need it most—we are not high-growth. We are declining in population; we are declining in taxpayers, with the exception, I'm pleased to say, of the city of North Bay. But at the same time, the tax burden that is being placed on the residential taxpayers, which is against the philosophy of this upload, is certainly a concern to us.

The Vice-Chair (Mrs. Laura Albanese): You have 20 seconds.

Mr. Peter Chirico: I'm going to wrap it up.

The uploading of the social program costs back to the province was the right thing to do. We applaud the province for this fundamental shift in fiscal responsibility.

The benefits of uploading are not necessarily going to the municipalities that need it most. In fact, many municipalities with the poorest fiscal health and largest infrastructure investment gap have received no net benefit in 2008, 2009 and 2010. We are trying to do what is right for our citizens.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation. I will now turn it over to Mr. Prue. The questions are in rotation and it is the NDP's turn.

Mr. Michael Prue: The last time I was in North Bay with the finance committee—because I've been here several times since then—there were some deputants talking about the poverty rate in North Bay—not so much the poverty rate, but even those people who were employed had very low per capita incomes, just barely above the minimum wage at that time. What are the

wages like in North Bay today for the citizens? Is it still around the minimum wage, which is now up to \$9-something?

Mr. Victor Fedeli: Not much has changed in that aspect. We have a couple of companies that are on the higher end, in our aerospace sector, but the largest single employers are still the two call centres—certainly one. One is going through some trouble these days, as in other communities. Nonetheless, that hasn't changed in North Bay.

Mr. Michael Prue: The reason I'm asking that is because this is not a rich community. All of the northern cities are in financial crisis, and you've pointed that out. How does North Bay compare to the financial crisis of Timmins or Sudbury or Thunder Bay or Sault Ste. Marie?

Mr. Victor Fedeli: We have done everything we can. Thanks to some serious fiscal prudence on behalf of our budget chief we began six years ago, we really saw a program to generate—we had the lowest reserves in all of Ontario six years ago; dangerously low. We went on a real spree of selling property. One hundred and eight lots were available in North Bay that the municipality owned, and we went on a spree of selling them, not to put the money in our operating budget but to put it in our reserves.

1020

We went from the lowest in Ontario to now having reserves of \$22 million. Why I tell you that is, it helped our Moody's rating. We were bumped upwards five times, so our borrowing rate is cheaper. That's the long way to tell you that. We still borrow, but we crossed a threshold two years ago July where we now pay back more every year than we borrow every year. That's a threshold that we crossed for the first time.

While we still have tough economic times—our unemployment is astoundingly high, according to StatsCan. One year ago they announced it at 5%, which I thought was astoundingly low, and last month they announced it at 12%, which I thought was astoundingly high. We have to base our analysis on the statistics, but sitting on our social service board, our DSSAB, as we call it—the deputy mayor sat on it as well—we have the highest ODSP in all of the province. It's twice the provincial average. That has not changed.

Mr. Michael Prue: Thank you for that. The reason I'm asking that is it seems untoward that the province of Ontario would, first of all, give you no net benefit and then claw back money in a community with such social and economic challenges. I'm really quite appalled when I listen to this. You've obviously raised this before. What was the answer?

Mr. Victor Fedeli: I can tell you, we have the same concern. We know there's light at the end of the tunnel. That much I will give you: There is light at the end of the tunnel. But for North Bay it's not until 2012-13. We have sat with the finance minister and we understand the answer is, "We can't pay you twice. If we upload, we're not going to pay you for things that you're no longer doing."

The problem is—and when we sit at AMO presentations and we tell MPPs, many MPPs will hear this for the first time. We look at the press release that we just saw from the Minister of Finance where they talk about all the uploads and the benefits of those uploads. Municipalities were able to use that money in their infrastructure. I'm sure that's true for Ottawa and Hamilton. As they uploaded money, they clawed back any money that you got on the OMPF. Hamilton and Ottawa only had a tiny amount, so if they uploaded \$14 million and clawed back \$6 million, their entire \$6 million, they still got \$8 million. This year they'll get \$16 million uploaded and keep it all. We got uploaded \$2.5 million, clawed back \$2.5 million. This year we got uploaded \$3 million and clawed back \$3 million. So until our OMPF is back at zero—then, when they give us an upload we actually get to keep it, that's 2013.

Mr. Peter Chirico: And if I could, when we look at that, that is where we believe that the Ontario municipal partnership funding formula is broken. It doesn't work and it doesn't address the specifics in northern Ontario and especially in the city of North Bay. When we look at the assessment base, which does not calculate the wealth of your community—assessment is basically supply and demand on housing and that's all it is.

In our specific case, in the city of North Bay, where we don't have a large rural component of assessment, most of it is city-centric, so to speak, and the balance of it is waterfront homes, which raises our overall assessment value in that part of the formula. The least that we could ask is that at least, under the northern communities grant component, which has been flat and remained at \$235 million—we ask and we have asked before that that portion, just on the northern communities grant, be increased. It would approximately amount to some \$17 million for all of northern Ontario.

The Acting Chair (Mr. Kevin Daniel Flynn): Thank you, Peter. That would be a good place to end. Our time is expired. We're actually over by a minute.

Thank you very much for coming today. Your presence was appreciated.

CANADORE COLLEGE

The Acting Chair (Mr. Kevin Daniel Flynn): Our next speaker this morning is the president of Canadore College, Barbara Taylor. Barbara, if you would come forward. Make yourself comfortable. Like everybody else, you get 10 minutes to make your presentation, and then we'll leave five minutes for questions.

Ms. Barbara Taylor: Great. Thank you very much, and thank you for allowing me to speak to you this morning. I'm Barbara Taylor, the president of Canadore College. You have some notes, and our Colleges Ontario provincial association is so good that the generic part of the speaking notes got left in the title. I'm one of five college presidents who I believe are addressing you as a group. I promise I'm not going to repeat word for word what my four colleagues may have already shared with

you, but I want to reinforce the message that we are presenting not only today as the president of Canadore College but also as a member of Colleges Ontario, which represents the 24 publicly funded colleges in this province. We think we have an important message to give, and so I just want to perhaps hit some highlights.

First of all, I'd like to give you a very brief description of Canadore College for those of you who are not familiar with it, although I know David and Norm are both aware of what we do and part of the contribution we make to the region.

We have approximately 3,500 full-time students per year. That includes students in diploma and certificate programs, as well as apprenticeship and adult upgrading students. We serve the districts of Nipissing and Parry Sound. We have three campuses here in the city of North Bay: one of them a specialty aviation campus, which is an amazing facility up at the airport; a trades and technology campus on the south side of the city; and then our main campus on the north side of the city, which we share with Nipissing University.

We are building a new campus to replace our rented facility in the town of Parry Sound, serving the district of Parry Sound. Hurray. That's very exciting. We also have a rented facility in the municipality of West Nipissing where we provide service to that community, although Collège Boréal is a larger presence there, given the preponderance of francophones in that community, but we work closely with Boréal. We also offer adult upgrading out of a secondary school in Mattawa and plan to do the same in partnership with the Near North District School Board in the district of East Parry Sound to the south of us, along the Highway 11 corridor.

Over 10% of our students are aboriginal, and that population is growing. Close to 60% of our students are not coming directly to us from high school but have been out of school for a period of time. They may be in their early 20s, they may be in their 50s, or anywhere in between.

We have a unique partnership with Nipissing University, and when I get to the efficiency part of the presentation, I'll reference that again. We have probably the best college-university partnership in the province because, as you may be aware, colleges and universities do not always see eye to eye on how to fulfill our mandates and serve our communities and our province. We share our largest campus. We have just concluded a successful \$25-million campaign to build a joint library, including \$18 million from the province of Ontario as well as \$1 million from the northern Ontario heritage fund. We raised the balance in the current economy in this region, and I think it demonstrates the tremendous support that people in the region have for the two institutions. When we work together with the university, we can offer our students and our communities better facilities, better services, and a better quality of education than we could if we didn't work together.

At the same time, we have distinct mandates. We're very different institutions, but we make it work on all sorts of levels. We share services where that is cost-

effective, and we look at everything that we do, both institutions attempting to be as efficient as possible and put as much money into the classroom and to serve our students as we can.

There are four parts of the Colleges Ontario pre-budget submission: the college vision for higher education which the 24 colleges have submitted; the labour market challenge; strategic investments to preserve quality and strengthen the economy; and cost-saving strategies.

Under the vision for higher education, one of the key issues that we deal with here is the lack of clear and transparent mobility between colleges and universities. College graduates are often almost sent back to the beginning to start all over again. That wastes the taxpayers' money because it duplicates the amount of investment that the government needs to make in colleges and universities, and it also obviously extends the time and money that the individual student is expending.

I would like to point out to you—because you will hear from my colleagues and from our association the examples of where it isn't working—where it is working, which is right here in the districts of Nipissing and Parry Sound. The last data I have for the number of diploma graduates at Canadore College going on to degree completion is at 16%. That's significantly higher than pretty well anywhere else around the province, and almost all of those students are going on to degree completion at Nipissing University.

1030

In addition, one of the things that we will be doing, in partnership with the university in the year to come, is tracking underrepresented students who have made that transition. Anecdotally, we know through our aboriginal counsellors in both institutions that many aboriginal people who would not contemplate going to university after a successful college experience, and particularly when they're co-located with the university, do in many instances go on to successfully engage in university-level education.

I'm one of the chief cheerleaders in our sector for the value of the diploma, and the diploma gets people jobs, but I'm also a very strong proponent of the fact that the citizens of Ontario, and particularly those in underrepresented groups in post-secondary education, need to have clear pathways that facilitate their education, not provide barriers.

We are working with the other colleges and the universities, but we strongly feel that money can be saved by improving credit transfer, again, both to the individual and to the province of Ontario, and in fact that that will speed the entrance of highly needed skilled graduates into the workforce in the province.

The labour market challenge is an interesting one because while on the one hand we deal with the unemployment issues that come from the economic downturn and some of the restructuring, particularly in the manufacturing sector and of course here, in the north, in the forestry sector, at the same time employers are

telling us that they are short the skilled workers they need. Those shortages are acute in some of the skilled trades; they are acute in many areas of health sciences, and they will continue to be across the range of college apprenticeship and diploma programs.

While we understand the financial realities that the province is facing, we also urge the province to look at funding for colleges in order to sustain increased enrolment growth as an investment in the future of the province and an investment in the economic recovery of the province. We do understand there are tough choices, and one of the things the college sector has been and will continue to be very proactive in is providing the indicators and the accountability measures back to the government to ensure that the money that is being spent in colleges is in fact having the desired outcomes. The key performance indicators, the employment and employer satisfaction rates, continue to be high for colleges in Ontario. The enrolment has grown provincially about 7% this past year; at my college, it's grown almost 12% this past year, and we have no indication that that will not continue.

The Vice-Chair (Mrs. Laura Albanese): You have about a minute and 30 seconds left for your presentation.

Ms. Barbara Taylor: Thank you. So I'm going to jump to the ask, which is growth funding. We request that the province commit \$163 million to address enrolment pressures and provide quality programs. We need to keep growing and we simply can't do it unless there's additional funding to allow us to grow. I don't want to be in the position, as the president of a college, to say to someone, "I know that you need this education, but we can't take you because we simply can't expand."

We're also requesting \$12 million to expand e-learning programs so that we can go to people, again, particularly people in underrepresented groups and in smaller communities, which is certainly an issue for municipalities and First Nations in the north.

Finally, very quickly, in terms of some of the savings and the economic efficiencies that we require, we do, as colleges, have a track record of working together—everything from curriculum development to energy savings, and as I mentioned earlier, in our case here in the districts of Nipissing and Parry Sound, we also have at Canadore College a track record of finding efficiencies with our partners at Nipissing University.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. The questioning will go to the government side. Mr. Ramsay.

Mr. David Ramsay: Barbara, thank you very much for coming. Let me say that we're very proud of the job that you do on behalf of this area in providing post-secondary education. You've got a great reputation in that school, and I think it's a great example with the co-location too that you have with Nip U, as we say it locally—Nipissing University. It's great.

I'd like to talk a little bit about the credit transfer. This is something that has interested me for a long while now. It saddens me, because when I look south of the border,

there seems to be an integration of junior colleges with universities, and they sort of flow from one to the other, and it provides more opportunity and savings of expenses because people can stay in their local towns before they go on to university. You've obviously got a great record here of having that co-operation. I wonder what the secret is with you. Maybe it's because you're in each other's faces because you're co-located. What's going on there that isn't happening—and I will add my bias to this: It seems to me that in Ontario there is a bit of an elitist attitude in our universities, that we don't want to co-operate with our colleges. So my other question would be: What could we as a government do to help with that, to nurture that relationship and get more co-operation?

Ms. Barbara Taylor: First of all, I think one of the reasons it works here between Canadore and Nipissing is that the communities keep us honest. We're small enough that everybody knows everybody. All the people on the Nipissing board know all the people on the Canadore board. There are expectations in the community that the two institutions will work together, and when there have been times in the past when they haven't, believe me, there's some community pressure. You get the phone calls, as the president, around why you're not doing the things you need to do.

I think, as well, it's because of the demographics of our part of the province. We have to work really, really hard to have our enrolment managed strategically and to ensure that our institutions remain competitive with those in the southern part of the province. Over the years, I think it has become apparent that we're in this together and that there's probably more of a bond between the college and the university, given that both of us have the service to the region, than there might be between the college and other colleges and the university and other universities. It probably also helps that Nipissing is a new university, so we haven't got a century or two of precedent.

I think it's important that we distinguish colleges from junior colleges in the US, because we're not a transfer model. In a transfer model, the university that receives the graduates tells the college what the curriculum is. In our model, employers tell us what the curriculum is, employers tell us what the skill sets should be, and we develop the program standards which are approved by the province.

One of the things that we're working on, and I think where the government could really help us, is to focus on credential recognition as opposed to credit transfer. Credential recognition means—and we have some examples at Canadore and Nipissing—that the university has agreed that if a student successfully completes the diploma, that represents a certain chunk of what they don't need to replicate at the university. That's very different than a student going in with their transcript and their diploma to a registrar's office and having someone say, "Well, let's see. Is this sociology course the same as this sociology course?" I think if we can get the universities to recognize that a diploma means a certain level of

attainment and then to map that, then we'll have come a long way to resolving the issue.

Mr. David Ramsay: The other area is the growth funding, because obviously what's happening is huge.

How many?

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

Mr. David Ramsay: We have a recession, obviously, and with the economic reset in society, people are going back to get re-skilled. Is part of the problem the delay in our recognition of the enrolment, that you get funded the next year based on last year's enrolment, compared to elementary and secondary school funding?

Ms. Barbara Taylor: That's part of it, and also part of it is that our funding model essentially is one pie for the ongoing funding year over year. The growth funding is a separate pie, so depending on how much growth there is, the value per student in the growth fund drops. The more students we take, the less money we receive to cover the costs of providing service. That's why our focus on growth is so strong in this submission. There's a point at which you simply can't deliver the programming if the value of the funding per student drops precipitously, and I think it will.

Mr. David Ramsay: Thank you very much.

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

ONTARIO LITERACY COALITION

The Vice-Chair (Mrs. Laura Albanese): We now call on the Ontario Literacy Coalition to come forward. Good morning. You will have up to 10 minutes for your presentation. There could be up to five minutes of questioning after that. If you could kindly identify yourself for the purposes of our recording Hansard before you begin? Thank you.

1040

Ms. Lesley Brown: Absolutely. Good morning, I'm Lesley Brown; I'm the executive director of the Ontario Literacy Coalition. I want to thank you, Madam Chair and members of the committee. The Ontario Literacy Coalition, on behalf of its members and the 52,000 learners in Ontario, appreciates the opportunity to present today. I also want to acknowledge the importance of the two-year funding provided by literacy and essential skills in the 2009 Ontario budget.

We were also very pleased to see the Premier mention literacy in his speech about Family Literacy Day yesterday. The government and the MPPs of all parties have been extremely supportive of the need to provide Ontarians with essential skills that they need to function as full and contributing members of our province, so I want to thank you all.

You will know that on Friday, Finance Minister Duncan released Ontario's long-term growth report, and in the report the government is clear: "To stay competitive in the future, it will be increasingly important to build on this advantage"—that of a highly skilled and educated

workforce—"and continuously improve the education and training systems in Ontario." We couldn't agree more. All Ontarians must invest in education and training, and it is even more critical for those who do not have the benefit and advantage of a post-secondary education.

One in three Canadians aged 26 to 35 and over 40% of people aged 36 to 45 have literacy challenges. In Ontario that's three million people who struggle because of a lack of adequate literacy skills. These people will be in the workforce for the next 20 to 40 years. These statistics come from the International Adult Literacy Survey, known as IALS, from Statistics Canada.

These numbers are difficult to comprehend. It's not that there are many Canadians who are illiterate, but there are far too many whose skills in reading, writing and numeracy are just not strong enough to deal with the daily expectations required in today's economy.

Skill limitations not only affect individuals personally, but the impacts can be felt within the economic and social systems in this province, impacting all Ontarians. Canada's productivity has been falling since the early 1970s, according to the Organization for Economic Co-operation and Development. Here are some statistics: In 2006, Canada stood 16th in productivity growth out of the 23 industrialized nations in the OECD. Canada's productivity growth fell from an annual rate of 2% in the 1990s to an annual average rate of 1% between 2002 and 2006.

Nowhere more than in Ontario has the current recession signalled a profound restructuring in the economy. Our strong manufacturing and resources sectors have shifted to more knowledge-based and service-based jobs, so there's really a great demand and a high need for literacy training today. Waiting lists are growing, and the demand is increasing. Some of the demand was met through the March 2009 budget, but continued support is really fundamentally important. While 80% of agencies increased the total number of training hours offered through the funding incentive, over 60% reported they still had waiting lists. Many programs are also serving clients over capacity; that is, they're serving more clients than their maximum requirements allow.

Ontarians who have lost their jobs will find that the new jobs they apply to have higher skill requirements. The skill requirements of existing jobs are also increasing. The demand for skill upgrading in this new economy cannot be ignored if Ontario wishes to compete globally and increase its productivity. A C.D. Howe Institute report released in 2005 found that an improvement of 1% in literacy scores is associated with an eventual 2.5% relative rise in labour productivity and a 1.5% rise in gross domestic product per person. That comes out to a \$15-billion increase in the GDP.

To see this 1% improvement in literacy scores, investment in training is necessary, but I want to tell you that this investment has tremendous returns. In this time of constrained government budgets, it's critical to invest in programming that will yield the highest returns. Invest-

ment in literacy training will do just that. On average, one adult literacy learner costs the government of Ontario \$1,426 per year. Compare this to the cost of a person on unemployment, at \$5,602 per year. Consider that 42% of students who come into programs state their source of income as EI, OW or ODSP, and almost 70% of those people coming into programs either go on to further employment or higher learning.

With an investment in literacy, there is great potential to move people on to employment in these trying times. Investment in literacy and skills training generates a payback for individuals, but it also accelerates growth in the economy and in productivity, and improves the government's fiscal balance.

In the report *Addressing Canada's Literacy Challenge: A Cost/Benefit Analysis*, their findings show that "national estimates of" literacy "costs and benefits imply a rate of return of roughly 251% per annum," with "an approximate payback period of 4.8 months." That's "an attractive rate of return by any standard." Investing in literacy and basic skills is really investing in Ontario's economic prosperity.

The Ontario government, with the support of the enhanced federal money, made strides last year with the investment of \$90 million over two years. This is most welcome, but we really need to integrate this stimulus funding into an ongoing funding scheme.

We hope that the numbers make a compelling argument, but they don't tell the full story of how investment in literacy impacts the lives of Ontarians. I'm joined here today by student Maurice Labrecque from Canadore College in North Bay, who is a real testament to the success of literacy and academic programs, and I'd like to give the floor to him now.

Mr. Maurice Labrecque: Good morning, everyone. Thank you for inviting me to speak to you today. My name is Maurice Labrecque, and I'm currently a student in Canadore College's literacy and basic skills academic upgrading program here in North Bay. My goal is to complete my upgrading, then enter a college post-secondary program in business accounting so that I can re-enter the workforce as a business professional.

I was employed in the lumber industry in northern Ontario for 30 years in various labour jobs. For the final 16 of those 30 years, I worked as a lumber grader. The last company I worked for closed its doors in June 2006 due to the slowdown in the economy. After I was laid off, I explored my options and applied to many different types of positions. I customized my resumé to match what employers were looking for. I continued with this search on my own until June 2007 without success. I soon lost my confidence, to the point that I no longer wanted to apply for jobs. Due to changes in the workforce and personal challenges, I realized that a career change was needed in order for me to be successful, but to do this, I realized I had to retrain.

In June 2008, I applied for retraining through the Second Career program. I had to complete some labour market research to ensure that the business career I

wanted to pursue would result in employment in the North Bay area. I was approved through Second Career to complete academic upgrading and then the business accounting program. In September 2009, I started my journey by entering the upgrading program. In August 2010, my upgrade will be completed, so I have applied to Canadore College to enter the business accounting program in September 2010.

In the upgrading program, I have been studying mathematics, English and computer applications. In addition to learning many skills, I have been able to gain my confidence back. When I first started the upgrading program, I was very nervous and unsure of myself because I had been out of school for 30 years. But very soon after I began my upgrading, I felt at ease. I was experiencing a great deal of success and getting some excellent grades.

I've also seen some of my fellow classmates complete their upgrading and move on to their college program. The instructors at the college have been a major factor in my achievements and those of my classmates due to their support, expertise and guidance.

In closing, I strongly believe that literacy and basic skills academic upgrading programs are essential to help adults in Ontario to upgrade their skills and confidence in order to prepare for employment. These programs are of great benefit and should continue to be funded in order to provide and strengthen Ontario's workforce for the future. I'll be ready to be the new finance minister as of April 2012. Thank you.

1050

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation, and I will turn to the official opposition for questions.

Mr. Norm Miller: Thank you for your presentation. I'm interested in how much need there is out there. You made a very good presentation in terms of the benefit, and I don't think anybody here would argue that with someone who is looking to improve their literacy skills, it's going to benefit them, but also all of society.

You talked about the fact that you have waiting lists. How big are the waiting lists? Also, where are these waiting lists?

I gather that Maurice is involved with Canadore College to receive his upgrading, but where else would a person receive this literacy training?

Ms. Lesley Brown: There's literacy program training all over Ontario. It happens in colleges, in school boards and in community-based programs. We have 16 regional networks in the province where people can go to the network in their particular region, get an assessment, find out what class is appropriate for them and go to classes.

There's been more of an influx now because of the economy, with a lot of people who would never have considered going back to school, who have lost their jobs and all of a sudden find out that they don't have the skills to compete in today's market, and in speaking to Maurice, that was also his experience. For three years he applied for jobs, and he didn't realize—he had a specialized skill, so why wasn't he getting jobs in the

industry he's worked in for the last 30 years? Then he came to the realization that it's because the skills have changed dramatically from 30 years ago to the kind of skills you need now. So we're seeing much more of an influx. We've never seen numbers like this before.

I would say that most of our programs in most areas—there are some areas, the areas harder hit by the economy, where there's closing down of the manufacturing and they have higher numbers, but across the board our programs are really seeing an influx of people coming in.

Mr. Norm Miller: So, some idea of how big the waiting lists are?

Ms. Lesley Brown: Some of them have been up to six months. They were a lot longer before there was the stimulus funding where they were able to open more classes and take some of those people in, but six months or more. And if the funding doesn't continue, the waiting lists will just expand.

Mr. Norm Miller: And is there some dollar value you have in terms of the ask in funding to try to shorten those lists and look after the people who are looking to upgrade their skills?

Ms. Lesley Brown: I'd say there are two major asks. One is that there's \$45 million that is promised in this year, and it's the end of January and programs still don't have any indication of when that money is flowing or how that money is flowing.

Mr. Norm Miller: Is that the Second Career funding, or—

Ms. Lesley Brown: No, that's just the stimulus funding for the literacy programs. It's really important for programs to know ahead of time so that they can start to plan. You need about a month or two to start to open a class, to hire, to market the program. So it's important this year, first of all, to find out when that \$45 million is going to come into the programs. And as I said earlier, really, we need to continue this type of funding. Our concern is that at the end of two years, when we don't have stimulus funding anymore, there's no way that we can go back to the level of funding we had before.

Mr. Norm Miller: Thank you. I think my colleagues have questions as well.

Mr. Toby Barrett: Just briefly, the statistic here is that 40% of the people in Canada aged 36 to 45 have low literacy skills—a very large number of people in this country.

Ms. Lesley Brown: Exactly.

Mr. Toby Barrett: Those people, by and large, would have their grade 8? They would have attended elementary school?

Ms. Lesley Brown: I think there's a variety of different situations that may happen. Some people have graduated grade 12, and just the discrepancy between when you leave school and the skills that you need in today's economy—it's very different, so the skill level has shifted. The requirement of the type of skills you need has shifted from what you may have learned in school 30 years ago.

Mr. Toby Barrett: So that 40% of Canadians, I assume, in this age group can probably read and write, but they are still classified as having low literacy skills?

Ms. Lesley Brown: According to the IALS statistics, what they've done is they have broken it down into five different categories of learning, from level one to level five. For most people to be able to be competitive in the workforce, you need about a level three. There is a percentage that's at level one and level two that will really be challenged. Then those at level three and four will be more challenged in terms of the new technology, the new requirements. I don't know about you, but sometimes I look at my daughter's school work and think, "My goodness, I don't know if I could do what they're doing now in high schools." There's such a change in terms of the skills and what the new economy needs. But if you want more information, I can send you more detailed information.

Mr. Toby Barrett: That would be interesting. It looks like we're at the bottom of the pack, as a nation, certainly in the industrialized—

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation to the committee this morning.

Mr. Toby Barrett: Chair, just a point of order: Some more statistics and information would be valuable, perhaps, for the committee.

The Vice-Chair (Mrs. Laura Albanese): Absolutely. If those could be forwarded to the clerk of the committee, they will be distributed to all the members who are part of the committee.

Ms. Lesley Brown: Thank you so much.

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

ONTARIO COMMUNITY SUPPORT ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): Now we call on the Ontario Community Support Association to come forward. Good morning. You will have 10 minutes for your presentation, and that can be followed by five minutes of questioning. If you could please state your name before you begin for the purposes of our recording Hansard. Thank you.

Ms. Brenda Loubert: My name is Brenda Loubert. I'm the administrator of East Nipissing District Home for the Aged, otherwise known as Cassellholme municipal home for the aged, as well as the administrator for Castle Arms non-profit apartments for seniors.

Thank you for the opportunity to appear before this committee and provide the perspective from Cassellholme and Castle Arms; from the association, OCSA; and from the non-profit home and community health sector of the North East LHIN, LHIN number 13.

For those of you not as familiar with our organization, allow me to tell you a little bit about us. We have three major mandates. As indicated, we do housing on the Castle Arms side. We have just done a 40% growth in our housing industry; we went from 174 units to now 241 units. Our second mandate is long-term care, with a 240-

bed long-term-care municipal home for the aged. As well, in the community support sector we are the largest provider in this district, with seven various services being offered.

Our organization is part of the Ontario Community Support Association as well as the Ontario Association of Non-profit Homes and Services for Seniors. OCSA, of course, is a network of agencies providing home and community care for over 750,000 Ontarians per year.

We employ over 300 staff at this time and upwards of 200 volunteers, who service, in the community sector, upwards of 300 members of the community.

I want to begin by recognizing the challenging fiscal situation the province and our government are in. It is a situation we are very aware of. But this reality is inseparable from the demographic changes occurring in our community and province. The population is aging while, at the same time, we are living longer, chronic diseases are becoming more prevalent, and smaller families are often scattered across countries, which makes caregiving more challenging.

People need care. They want to be in their homes, not hospitals or institutions, and health outcomes and overall quality of life improve when comprehensive home and community support services are available to them.

We certainly want to thank and acknowledge the government's affordability programs that have been offered, in particular for housing. I guess our issue is, we need more of it.

As small organizations and non-profit organizations, it's very difficult for us to continue to build. We have the capacity to do so. We have the willingness to do so. We unfortunately don't have enough dollars to do so.

In the last round of housing, for instance, we wanted to apply for more. We had a plan to do 158 more units in this district. We have demographics. We have reports that have been done in the North East LHIN that substantiate the need for it. We have a difficult time providing the proponent contribution for such projects, and it makes it difficult when, oftentimes, these projects have gone to private vendors versus non-profit corporations.

If we look to change the trajectory of people going into long-term care, we also need to ensure that our finances go to sustain the systems that allow that to occur in the community. One of those big things, like I said, is the match between housing and the Ministry of Municipal Affairs and Housing, to match the supportive health dollars with the affordable housing, and allow providers such as ourselves and non-profit organizations that do that continuum of care to better serve the population that we need to serve.

1100

This local community also has one of the highest ALC issues in the entire province. Again, for us to alter that, we need to put additional dollars in the community support sector, to allow us to do what we need to do and, in essence, to alter and not have people go into institu-

tions and/or ERs and/or become ALC clients. We need to sustain them in the community.

One of the big issues is allowing community support also to begin to look at a standardized assessment across the board. We have looked at an implementation of an interRAI assessment tool called the CHA. Along the continuum of care, if we want to begin changing that trajectory, we also need to have substantial data at the community sector to be able to, without doubt, identify the population that needs to go there.

I'll be a little bit more specific. We have a standardized assessment to go into long-term care. We have a standardized assessment in mental health institutions. We have a standardized assessment in complex continuing care. The unfortunate part of this is that that continuum of care is too far along the compendium. We do not have standardized assessment prior to that, so if we are to change the way we implement our services or change and alter institutionalization, we also need to have that data bank at the onset and at the community level for us to begin to alter and look at utilization patterns and the data, to then support us changing that route of care.

So from long-term care or pre-admission to long-term care, and long-term care and complex continuing care, we have the data. We don't have the data on the early part of the continuum for us to be able to alter the mapping of care plans for those clients.

I've completely gone off my notes here.

On such strategy investment, to support implementation of common assessment as indicated, instruments in the community—the selection process of the tool will be completed by March 31, 2010. In last year's pre-budget submission, OCSA requested this, and we thank you for following through. A speedy implementation will do much to ensure that services are targeted at those who will benefit most. The data the tool generates will be extremely valuable for decision-making and the service-delivery funding and policy levels. We encourage you to invest sufficient resources so that the community support providers can implement the common assessment instrument without negatively impacting their ability to provide services or continue the work they do with the LHINs to improve health care systems.

Maintaining and enhancing funding levels for home and community support services is consistent with consensus opinion that these services are an effective and affordable means of delivering health care. We urge you to maintain funding to the LHINs and support new funding initiatives to help people continue to live at home.

Another concern is the serious shortage of home and community health workers in all areas of the province, especially here in our community. One of the reasons for the difficulty is in recruiting and retention of such workers and the disparity in compensation and working conditions between community health sectors and institutional health care. We urge the government to look at this disparity, including the absence of pension plans for workers in the community health sector, which is a

barrier to the mobility of workers across the health sector.

We now are seeing, for instance, personal support workers. We have no ability in a non-profit organization to have the same wage parity as those that we are competing with in other types of settings or in institutions or hospitals. Personal support workers are extremely important to our sector. These workers provide 70% to 80% of the care in our communities. There has been concern recently for the quality of the training provided to these important workers. Public confidence and the confidence of employers have been undermined by media reports of abuse situations and inadequate training. We urge you to provide resources for the monitoring of the training organizations to ensure the quality of the training, and we ask that you resource the development of a worker registry to track training and employment of personal support workers across our sector. This would assist employers and restore public confidence in this sector.

Finally, I would like to tell you a little bit more about the challenges we face locally. I, for the most part, have done a lot of that, if I can just give you a little bit of our demographics. We had a study done in 2008 by SHS, Ed Starr, and in that study—I can certainly leave this with you—we even looked at a low, a medium and a high diversion rate for those otherwise going into long-term care, and if we want to displace those individuals and keep them in supportive housing now or keep them in their homes now. The study suggested, even at the low end, that by 2016, to divert those individuals to housing, we are looking at 566 people who need to be diverted. That's on the low end. On the high end, it's 1,154. That's solely for the district of North Bay or the district of Nipissing. By 2026, at the high end it's 1,480, and there are similar results for long-term-care diversion in the district of Nipissing but also for the needs of the city of North Bay itself.

The Vice-Chair (Mrs. Laura Albanese): You have 15 seconds left.

Ms. Brenda Loubert: I'll end with that.

The Vice-Chair (Mrs. Laura Albanese): Okay. Thank you for your presentation. It was very interesting. We will pass it now to Mr. Prue for questioning.

Mr. Michael Prue: Yes, just in terms of the long-term care diversion and where you were going, I have to assume part of the boomer generation, and leading up to this—that there are going to be a lot of people who are going to require long-term care, and that the recommendation is to find some other alternative: have them stay at home or use whatever service. Has there been sufficient planning? We've known for 50 years that is going to happen. There are books: Boom, Bust & Echo, and all those things that have been written. Everybody knows it's going to happen. Are we prepared?

Ms. Brenda Loubert: I would indicate by saying that we absolutely know. Do we have all the knowledge that we could have? Hence my opinion about the implementation of an RAI-CHA tool or some kind of standardized

assessment so that we have a better knowledge of what is in the community right now, and at this point, that is just those contacting or having contact with the health care system. We know absolutely nothing about those who are not in the system right now. Along that continuum, I guess what I was trying to say is that from the point of placement on, we have that data. Prior to that, and those are, in essence, the people who are coming in, we have very little data on that. Without data, we have very little ability to even sustain where we are right now, let alone having the influx of population coming, given the senior population.

Mr. Michael Prue: I didn't hear a direct ask in terms of money. We are the finance committee. I always want to know, and everybody around this table wants to know: What in terms of money for this budget cycle are you looking for in order to prepare your organization and the North Bay community for a potential, sudden influx of new people?

Ms. Brenda Loubert: I guess province-wide—and I'll speak perhaps at that level first—province-wide we need to be able to implement the standardized tool and mechanisms by which we can track the data. In terms of an overall number of cost of that, I don't have that before me to tell you. In absence of that, I can certainly tell you that we will get more of what we have seen, and we will not be prepared to sustain them. We can barely sustain what we have at the moment.

Mr. Michael Prue: How fast is the number of clients you're having to service growing, in terms of percentage year after year?

Ms. Brenda Loubert: Like I said, I can leave the graph that I brought. By 2031, we will be looking, in this district alone, at about 30% of our population being seniors. The study and the work that we're doing—we have a descriptive study that's just coming out through the University of Waterloo, actually; it's in draft form right now—that information is informing us that we need two things: one, the standardized assessment to be able to run the data, but we also need the equivalency on what the utilization of those services will be so that we can then project outwardly what the requirements of this population will be. I guess what I'm indicating is that we're in the infancy stages.

Mr. Michael Prue: You talked as well about people who are working in the industry, the training and the needs for resources and courses, and some of the backlash when people are not doing the job they're supposed to do. What kind of problem is that? I don't hear too much about the backlash. I do, once in a while, hear horrible cases of elder abuse or of taking jewellery and things. You read about that in the paper. Is it widespread?

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Ms. Brenda Loubert: I would say it is widespread. The issue with personal support workers at this stage is that they are not within the regulated health disciplines act and therefore are susceptible to professionals within those then not perhaps—the difficulty of not being able to substantiate the work you do. The standardized assess-

ment then brings that level of the sector or that community sector up to the same level as, for instance, a community care access centre, so we will then have the same ability to substantiate the work that we do.

As a non-regulated health discipline, as the words say, they don't have a college that they all report to. It leaves them vulnerable in some states, I guess—and to somehow do a little bit more regulation of this body so we can do the work. In essence, this is the lowest-cost setting. If we are looking to go from hospital perhaps back from long-term care, this is the lowest-cost setting.

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

WORKING FOREST NEWSPAPER

The Vice-Chair (Mrs. Laura Albanese): I would now call upon the Working Forest Newspaper to please come forward. We would advise you that the presentation will be up to 10 minutes. That could be followed by up to five minutes of questioning. Please state your name before you begin for the purposes of our recording Hansard. Thank you.

Ms. Judy Skidmore: Good to see you all here in North Bay. My name is Judy Skidmore. I'm publisher of the Working Forest Newspaper. I'd like to make two short presentations, one of them on the forest industry and, secondly, one on a recent study that we commissioned on the Trans-Canada Highway, "we" being the Working Forest Newspaper commission.

I'll start with the forest sector. The forest sector is Ontario's—you have a copy of this; I'm basically reading these points to make sure I get in my time. The forest sector is Ontario's homegrown industry, and it's traditionally the second-largest industry in Ontario after the auto industry, as determined by the Minister of Natural Resources for the present government.

The Ontario forest garden produces 6.7 billion cubic metres of wood in any given year. It doesn't produce that much per year—you cut it all down, and it grows again like carrots—but that is the amount of wood that we have available to us. Sometimes, with all the rain we've been getting, it's probably 10% more. That amount of wood does sustain our biodiversity across Ontario. This is one of Canada's largest forest gardens, according to the Canadian Forest Service report now on their website. These numbers are actually from the Canadian Forest Service.

The Minister of Forestry, Minister Gravelle, has stated that Ontario's crown forest can sustainably produce 26 million cubic metres of wood annually. I ask, is that tiny amount the limit of the minister's vision for the Ontario forest industry? That harvest would restrict us to one third of 1% of Ontario's forest garden per year—one third of 1% per year. That is what those 26 million cubic metres translate to from the garden of Ontario. That would be all that the forest industry would be allowed to harvest—one third of 1%. At the moment, Ontario is harvesting under one quarter of 1%; 0.22% is what we

are harvesting of Ontario's garden. At its very highest level, which was about the year 2000, the Ontario forest industry harvested less than half a per cent—0.44% of 1% of our garden.

Ontario does not meet its own demand for wood products at the moment. There is a significant amount—about half of the wood products actually come into Ontario from somewhere else, so we're not even harvesting enough forest products in our own province right now to meet Ontario domestic demand. Ontario is not spending its own budget on prime site reforestation.

Do we need to spend more government money that closes this industry even further? We really need to harvest forest at twice the rate we're doing now—that's at the maximum level—without paranoia and government budgeting to close down the best industry in the world. So what I'm asking is: Please don't budget more money that's going to actually restrict this industry even more. What we do need is more money for prime site reforestation.

The Ontario forest industry presentation, which I think you'll hear later today, is much more eloquent than the one from this newspaper.

Canadians invented the most efficient business tool in the world: a sheet of paper. That is our invention as Canadians. And we produce the best lumber in the world. Canadian lumber is strong, lightweight and the easiest wood to nail—the best SPF, spruce-pine-fir, in the world. Please do not allow government budgeting to fund the destruction of those advantages.

The actual amount of money that we're asking for would be for additional silviculture, which would run to approximately \$100 million a year. There is probably that much now in the trust, which isn't being spent, but Ontario is just not funding our industry and we are putting out budgets that are restricting the industry itself, shutting down our own industry.

The Working Forest Newspaper, secondly, has commissioned a study, because transportation is critical to the future of the forest industry and, really, to the future of Ontario and the future of Canada. There is only one way to put a TransCanada Highway through Canada and it is through northern Ontario. So many people think that you can somehow get from Winnipeg to Toronto a different way, but you can't; not through Canada. The Ontario TransCanada is the final—it's 25% from Ottawa all the way to Kenora; it's 25% from Vancouver to Newfoundland. That is really the poorest standard. It can't even be called a highway, really. It's just an unsafe trail through the bush. That represents our TransCanada Highway.

Our study showed that a 25-year project will completely upgrade the 20% of the—which is 1,650 kilometres of the TransCanada Highway from North Bay to the Manitoba border. It is really an appropriation of existing budgets because that amount, \$600 million a year—the cost is only \$600 million a year—is already in the budget of the provincial coffers. That is being spent now on four-laning to North Bay from Huntsville and Parry Sound to Sudbury, which is going to be completed

soon. So that amount extended on for the next 25 years will complete a transportation system in Canada. It's the only route possible for a Canadian national highway. The engineering has some challenges but no more than those presently being met in the Rockies and the Okanagan on a TransCanada Highway with equal status to the highway that we're talking about.

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The vision budget was estimated—and this is our vision—at \$600 million a year for 25 years. This is a short time to accomplish what many people in communities along the route consider would cost too much and take too long. Priority must be given to those areas already established by the government, which are Nipigon to Thunder Bay, Highways 11 and 17 where they come together—a two-lane highway which is just terribly congested—and Kenora to the Manitoba border, which is particularly dangerous.

We propose that this construction, this \$600 million per year for 25 years, be scheduled on the route in seven concurrent sections: North Bay north to New Liskeard, New Liskeard north to Cochrane, Cochrane to Hearst, Hearst to Nipigon, Nipigon to Thunder Bay, Thunder Bay to Dryden, and Dryden to the Manitoba border. Within the decade, all the communities on the route from North Bay to the Manitoba border should see the beginning of construction.

The main objective in this study is to maintain the integrity of the centre of communities and private property. The main study objective is to reduce the disruption of the community and increase safety, cost and speed for residents and for commerce. You can see the entire study, which looks like this one, on the Working Forest website, the home page. Click on it and the 40 pages come up.

I'll take any questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation. Questions will go to Mr. Ramsay.

Mr. David Ramsay: Welcome, Judy. It's good to see you again. Thank you for your strong advocacy for the forest sector in this province and in this country.

I'd like to talk about the forest part first. I agree with a lot of what you say. I look around this room and I see the wooden frames and doors, and I presume this table is wood. That's carbon in storage. These products do last a long time, and our forests could be a real answer to climate change, because we should be cutting more, harvesting more and planting more. I believe in afforestation, where we should be planting more trees and finding more uses for tree fibre. That, of course, will come naturally as we start to run out of crude oil under the ground. We're going to have to grow all our energy and materials, and Ontario will be very blessed because of two things: its great agricultural area and huge, vast forest tracts. So I think there's going to be a great future for forestry and that it will increase. That should be part of our climate change initiative too.

You may not agree with what we're trying to do on some of these things, but as you know, we've been

looking at what we call tenure reform, because what we want to do is open forestry up to new entrants who want to produce new products. We need to adjust and diversify away from just our traditional products, which have basically been lumber and paper. We've had a few new products introduced over the years, like oriented strand board, of course, but we could do so much more. So I embrace your call for expanding forestry. I think it's right.

I was wondering if you had any other ideas on how we could do this, working with industries. It has been a pretty tough time with industry now in those two traditional areas: paper—newsprint, especially, a declining market—and of course lumber, because of the decline—

Ms. Judy Skidmore: Well, Mr. Ramsay, first of all, you have to dump your tenure ideas, because that is adding all kinds of insecurity to the industry. We can't even discuss the issue, because there's nothing to discuss; it's simply being thrown out there that the industry is going to change, the government is going to change the industry, without any direction, anything to bite on, and with no real concept of what is wrong with our tenure at the moment. That has not been identified. So that particular process is creating an exodus of capital, an exodus of new investment in the industry itself. I plead with you to just, at this point, go away from that. I haven't spoken with anyone who can understand really where it's going or what it's producing and sees it as a priority for the industry at this time.

Certainly we need to invite new investment. That has always been a problem in the forest industry, and it's an extremely complex issue. But what we have to have from the government is strong, secure access to this—at least 1% of Ontario's forests. We don't have that now. Just please, 1%—strong access, committed to long-term from the government. That's going to solve a lot of problems.

Mr. David Ramsay: We have strong tenure with the forest licences, but what the economy can't tolerate is unused. You've cited the figures. We have so much of our cut unused today. What we're doing, which I'm very strongly promoting, is clawing back the unused portions of the cutting licences so that we could start to invite new investment from new entrants to produce new products so that we can diversify our forest product line and range in this province, so that we are not just producing lumber and paper. We need that diversification. There are a lot of new products that we can develop out of wood fibre, and we need to diversify in that direction.

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

Ms. Judy Skidmore: If I might, to fight over this tiny portion that's there with the people who actually—and yes, the control over it is a big question. But for the government to fight with the people who have already invested in this tiny, tiny portion of the wood fibre in Ontario—there's so much more. Why can't we open more? Why can't we even open what we had access to 20 years ago instead of constricting and then fighting with

the people who actually are prepared to invest over that amount?

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for that, but unfortunately, the time has expired.

NIPISSING-PARRY SOUND CATHOLIC DISTRICT SCHOOL BOARD

The Vice-Chair (Mrs. Laura Albanese): We'll now call on the Nipissing-Parry Sound Catholic District School Board to come forward. Good morning. Please come forward and have a seat. You will have up to 10 minutes for your presentation; that could be followed by up to five minutes of questioning. If you could please state your name before you begin for the purposes of our recording Hansard.

Mr. Shawn Fitzsimmons: Good morning, members of the committee. My name is Shawn Fitzsimmons. I'm the vice-chair of the Nipissing-Parry Sound Catholic District School Board. It's a pleasure to be here this morning, and I am very grateful for the opportunity.

The first budget presented by the government in 2004 and budgets thereafter have reflected the mood of the public to see a focused and long-term plan for education. Over this time, there have been some positive and significant changes to meet the needs of students.

The current economic situation has understandably caused the government to rethink its financial policies. We come here today understanding these pressures, but at the same time, we feel that there are some real issues that need to be addressed. While approaching the need for overall constraint in these serious economic times, we hope the government will do this in a balanced manner, holding the line on spending but not at the expense of education, which is clearly still a priority for most Ontarians.

A good deal of the increased funding for education over these years has been targeted on increases in programs and services mandated by provincial authorities. In some instances, the increased funding to provide for these programs and services didn't cover the actual costs required to provide them, increasing the financial pressure at the board level.

This is why boards continue to struggle with their financial situation, already experiencing challenges with inadequate funding, having to resort to unpalatable solutions to balance their budgets, drawing down dwindling reserves and implementing major spending cuts. Spending cannot be reduced any further without harming student outcomes, and there are some shortfalls in funding which are causing unease in school boards about their current operations as well as their future.

Over the last nine years, school boards have been given additional funding to hire more teachers and reduce class sizes. The provincial discussion table agreements have had, and we believe will continue to have, a beneficial impact on staff relations, both instructional and non-instructional. These impacts will contribute to the

financial stability of boards by making salary costs and corresponding funding predictable throughout the term of the agreements.

Salaries represent approximately 80% of school board budgets in Ontario. It's the remaining 20% where we have some concerns and would like to talk to you about today.

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Boards are particularly concerned about the implementation of full-day learning for four- and five-year-olds. We realize that this will require substantial investment of resources. Some schools will even require significant upgrades and changes in order to provide space. It will be necessary that the ministry provide adequate and equitable funding, both operational and capital, to provide for the introduction of the early learning program.

Many school boards continue to express serious concerns about the ongoing gap between the cost of programs, services and specialized equipment for students with special needs and the current funding levels. It is necessary that grants for special education be reviewed and improved to recognize the changing incidence of students with special needs, to be fair and more responsive to their needs and to accurately recognize the real costs experienced by boards.

Funding for the maintenance, renovation and retrofit of existing schools and the construction of new schools remain on most boards' list of concerns. Whether projects are large, medium or small, school boards will always have their capital needs, and the costs have become quite burdensome. It is essential that the process of capital funding for school boards be reassessed to reimburse boards for their actual total costs. The benchmarks utilized in the calculation of capital funding programs need to be updated and adjusted to reflect actual costs of construction and to recognize variations in these costs across Ontario.

School boards speak of the inadequate funding for modern technology. This is relatively common to all boards across Ontario. This is critical in the classroom and necessary for our administration to be effective and efficient. Ongoing funding must be provided for new computer hardware, software, expanding network capabilities and videoconferencing, along with immediate one-time funding to upgrade our outdated infrastructures.

There has only been partial relief for declining enrolment through the declining enrolment adjustment grant. Because the grants are primarily driven by enrolment, even small declines in enrolment have a serious effect on our revenues. Unfortunately, our expenditures do not follow the same pattern as they tend to be fixed within certain ranges. Specifically, even though there may be enrolment declines, the declines at the school level do not allow us to reduce school expenditures to the same degree.

The assistance for declining enrolment is not enough and is too short-lived. We need more time than is now

allowed to align our costs to the funding that will be lost due to declining enrolment.

Over the last year, school boards have incurred additional costs as a result of H1N1. We've had staff who became ill and had to be replaced. We had to pay for materials, equipment and other expenditures for which we were provided minimal additional resources. A natural disaster or pandemic such as H1N1 or SARS can occur at any time. School boards will always have to comply with various measures mandated by government ministries and agencies. These costs are unforeseen and unknown, and school boards need one-time funding from the government to recover them.

Boards also have grave concerns about the reduction in grants that occurred in 2009-10 and the further proposed reductions for 2010-11, reductions for textbooks and learning materials, classroom computers and staff development, reductions to student transportation as well as the declining enrolment grant, which I've just discussed.

The projected reduction of \$8.7 million in funding for board administration and governance will be particularly onerous for small to medium-sized boards who are already struggling with the burden of implementing and reporting on new and enhanced ministry-directed programs and policy changes.

I've restricted the content of this presentation to those matters which we feel are of the highest importance and are most problematic. However, there are other issues about which we have concerns and would like to bring forward. Some costs, including staff benefits, insurance, utilities, litigation and the harmonized sales tax, are highly volatile and unpredictable. They far exceed the funding provided by existing benchmarks.

One-time measures cannot be continued over the long run and eventually must be replaced by a funding model with appropriate benchmarks and necessary resources.

The Nipissing-Parry Sound Catholic District School Board is grateful to the committee for allowing me to make this presentation. We look forward to continuing opportunities for dialogue and are willing to assist the government and the Ministry of Education in any way we can to ensure the best possible education is given to our students. Thank you very much.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your submission this morning. I will now turn it over to Mr. Shurman for questioning.

Mr. Peter Shurman: Good morning. Thank you for a good presentation. I'm interested in getting some detail here on the percentage increase that you're referring to for your board and how that translates into real dollars.

Mr. Shawn Fitzsimmons: The percentage increase—

Mr. Peter Shurman: For your board. You're asking for more funding because you need sustainable funding and new technology. You've elaborated on it but you haven't given us a percentage. You said that 80% was salaries, and 20% was the part that concerned you.

Mr. Shawn Fitzsimmons: Yes.

Mr. Peter Shurman: So that 20% represents some number and the percentage increase that you need going forward is some number. I'd like to know what those numbers are.

Mr. Shawn Fitzsimmons: Our budget is approximately \$42 million a year. We are one of the smaller school boards in Ontario, with 3,200 students. Without an intense calculation, I would think that we would need approximately \$1.5 million to \$2 million to cover the shortfall in the expenditures, not including salaries.

Mr. Peter Shurman: Okay. And you mentioned 3,200. Do you know what the additional costs will be—you also kind of alluded to them—for the implementation of early kindergarten? You talked about there being some increases in facility costs.

Mr. Shawn Fitzsimmons: Yes.

Mr. Peter Shurman: Do you know what that real number is?

Mr. Shawn Fitzsimmons: At this stage, Mr. Shurman, two of our schools will be the ones to come on board this September. We estimate costs, I believe, in the area of \$250,000 to \$300,000 for the two schools.

Mr. Peter Shurman: And is it your understanding that you—and, from that, I would have to deduce, schools across the province—would be seeking those kinds of funds, funds that are similar for similar purposes, from the government, outside of the \$1.5 billion that the government has earmarked for the program? Are these additional costs, in your understanding?

Mr. Shawn Fitzsimmons: To my understanding, these would be included in the \$1.5 billion that's already earmarked.

Mr. Peter Shurman: Then we can assume that the figure that we've been given by the government—you are assuming that the figure that has been put out there by the government includes those things. Therefore, it's not the same level of priority that you've put on it.

Mr. Shawn Fitzsimmons: I would assume that, hopefully, the estimate provided by the government is accurate. At this stage, some of these costs are unknown. It's purely an estimate, yes.

Mr. Peter Shurman: Okay. We've now been through—this is the third city that we're in having conversations like this. Listening to what you have to say is not particularly surprising. The numbers change, the faces change, but the asks are similar. I don't know what the tally would be, but I suppose we've been asked by people to make sure that sustainable funding is available in the billions and billions of dollars at this point.

You know and we know that the government is up against a \$25-billion deficit, by their own estimate, and some significant number of billions in the next year or two going forward, at least.

What would you tell the government in terms of how they're going to address your needs—we've asked this question to a number of presenters—and prioritize them versus someone else's?

Mr. Shawn Fitzsimmons: It's an interesting question, Mr. Shurman. Thank you very much. I really can't pro-

vide a perfect answer to it. I suppose that it's a matter of prioritizing expenditures within the province. Hopefully, at some point in time, we can get out of the recession and revenues to the entire province will increase.

I don't have the exact answer as to how you can prioritize among other needs—the needs of other agencies, boards etc. My comment regarding that is, with an intricate knowledge of school board funding, school board operations, I'm prepared to say that it's very imperative that some of the matters be addressed, because I do sincerely believe that some school boards are not going to be able to file balanced budgets.

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Mr. Peter Shurman: I agree with you, and I think many members of the committee would agree with you, that prioritization is probably the keyword, and we'll only know when the budget comes out how well the government has done at that. But you know and I know that something's got to give. I wish you well.

Mr. Shawn Fitzsimmons: Thank you very much, Mr. Shurman.

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

MR. GILBERT GAGNON

The Vice-Chair (Mrs. Laura Albanese): Now I would call on Gilbert Gagnon, mental health defence/volunteer protection, to come forward. You will have 10 minutes for your presentation, and that could be followed by up to five minutes of questioning. The next rotation will go to the NDP. Please state your name on the record for our recording Hansard, and after that you may begin.

Mr. Gilbert Gagnon: Thank you. My name is Gilbert Gagnon. I'm here on behalf of volunteers across Ontario. Just for my own record, I'm going to record my voice so I can hear what I'm doing. I don't know if you're going to be on television or not, but is there someone who could pass out my—

Interruption.

Mr. Gilbert Gagnon: It's a pleasure to have you all in North Bay. Sorry about the storm. It's pretty nasty out there.

Interjection.

Mr. Gilbert Gagnon: Tell me about it. I live on the lake. You all probably say, "I wish I lived on the lake."

Mr. David Zimmer: Not in the winter.

The Vice-Chair (Mrs. Laura Albanese): Sir, you are aware that the time is going—

Mr. Gilbert Gagnon: Yes. Sorry. Time is ticking.

The Vice-Chair (Mrs. Laura Albanese): I'm just letting you know, because it's your time.

Mr. Gilbert Gagnon: It's my time.

I just wanted to say that when I leave, I'll leave a couple of copies. You all have a copy of what I'm talking about, so I'll be very brief here.

Here's my opening statement.

I have 20 to—what time do you have? Am I wrong?

The Vice-Chair (Mrs. Laura Albanese): I have you one minute and 20 seconds already into your presentation.

Mr. Gilbert Gagnon: Okay.

I have studied all your committee members' portfolios, and I have some confidence that your prudence and fair judgment will prove that all my efforts have not been in vain. I'm here out of moral obligation. I'm a Catholic. The catechism of the church says that, "Authority should always be exercised as a service, respecting fundamental human rights, a just hierarchy of laws, distributive justice, and the principle of subsidiarity. All those who exercise authority should seek the interests of the community before their own interests and allow their decisions to be inspired by the truth. The collaboration of service of one's homeland is the right to vote and the right to exercise constructive criticism."

My friend is Mark Steyn, and in his book *America Alone* he says, "The state has gradually annexed all the responsibilities of adulthood—health care, child care, care of the elderly—to the point where it's effectively severed its citizens from humanity's primal instincts, not least the survival instinct. In the American context, the federal 'deficit' isn't the problem; it's the government programs that cause the deficit."

The government has a fiduciary responsibility that I seem to have a problem with—because in the year 2005, I received this letter that is on the front, and to me, that was quite offensive, and it started a lawsuit that's now dismissed. It's gone, it's over, so I can talk about it. If we were to read just the first line, it says, "The board of directors has met for a special meeting to discuss your mental health. You're no longer a member." Since then, I have had extensive work with the Ontario Human Rights Commission, which will be one of my recommendations that I will quickly go through now.

I'm here to help fellow consumer-survivors, and I'm also here to help the government figure out where to pre-budget their next money.

Some of what has happened to me, of course, has been a little bit offensive. Let me go through it very briefly, because I've got five minutes.

Most people are unaware that the Ontario Human Rights Commission, in its code, does not say that it's illegal to segregate or limit someone in an organization. That should be addressed first with the Ontario Human Rights Commission, which is publicly funded. That takes care of my number one, that we have sweeping new laws for non-profit from being unmonitored to being accountable, more so when being publicly funded, meaning that whenever a publicly funded corporation is caught breaching their bylaws or any other lawful act, the proper authorities work together. At this time the authorities do not work together, as you will see in this case, and it's a problem.

Two is, while being funded by the public purse, governments' issues should be scrutinized as an external matter when there's proof of non-compliance with government regulation. For example, Parliament and human

rights: The complainant should be given support from the government. As it stands now, every level of government states that it's an internal government's issue.

Corporations Canada used to state that any accusation of corporate non-compliance is a serious matter and will be investigated. That wasn't true, because they have no investigators or compliance officers. You could look into the corporations being complained about. I am ex officio now. They have a bylaw now that states that members in good standing are allowed to attend all meetings and are allowed to have notice of meetings. That's not in my package. They are not forced to put their bylaws on the Internet. They're highly funded.

My recommendation is, of course, with the Ontario human rights.

I also recommend that the Legislative Assembly should implement a volunteer protection act. There are no laws to protect volunteers at this present time. I would volunteer to sit on such a steering committee.

I also recommend that senior politicians, like the ones in my package, when they get a complaint, that they be supportive. This is a moral obligation of anyone in public trust.

My recommendation is also that the government is welcome to invite me into a presentation at a Senate level.

I also recommend that the committee or its members help me financially out of the mess that I went through. I have an appointment at Osgoode Hall on Tuesday with the law society commission, because I don't feel that their behaviour is acceptable when they state that they do not deal with negligence issues. The law society does not deal with lawyer negligence issues. If we have an issue, we have to take the lawyer to court. I don't know if there are any lawyers in the room, but that's not too good.

So anyway, the CMHA, when I was in this court diversion program—and I was innocent—asked me to sign a piece of paper for my medical information. I told them no. I was the first. I think that that should be re-adjusted. When people have a learning disability, they're not helped by any government source.

Our correspondence—it would be nice to see something come through so that people who are smart—I'd like to be a paralegal but I can't get past that academically in college. It would be nice to see a program like that come through.

Also, the CMHA, with their little court diversion program, should help people get pardoned and help them get back to work. But they don't have that on their agenda. That's nowhere to be found. One with those kinds of problems would be lost.

The corporation I'm talking of went on to have three of its newest members, with Mr. Kirby there, with the Canadian Mental Health Commission funded for \$110 million over four years—I think that's wrong. I've endlessly sent letters and e-mails to Mr. Kirby and sent 10 packages this thick. I'd like Mr. Kirby to give me a shout sometime, when he has a chance. He has my number.

The Attorney General didn't help, by telling me they don't have investigators.

So here's the whole package. When you read it on your lunch break, if you have any questions, you can give me a shout at home. I'm not too good at public speaking, but I'm very happy to be here. Any questions?

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

Mr. Gilbert Gagnon: I probably missed a few things, but—

The Vice-Chair (Mrs. Laura Albanese): No, you're on time. You're at eight minutes and 30 seconds.

Mr. Gilbert Gagnon: Well, I hope you all had a chance to read Mark's book, there, America Alone. He's got some interesting points.

The Vice-Chair (Mrs. Laura Albanese): Okay, thank you. I would now ask Mr. Prue: Do you have any questions?

Mr. Michael Prue: Just a couple of very brief ones. I mean, I haven't had a chance to read this whole package—it's rather long—but just towards the end of the package, the second-last page, I see that you have a complaints review meeting next week in Toronto.

1150

Mr. Gilbert Gagnon: Yes, that's right.

Mr. Michael Prue: It's your intention to proceed to that complaints review?

Mr. Gilbert Gagnon: Yes.

Mr. Michael Prue: You will be attending at Osgoode Hall. Now, I take it that this is a complaint against the lawyer who you once employed?

Mr. Gilbert Gagnon: Yes, I once employed him, with no help of the government or any senior official, and they're all in here.

Mr. Michael Prue: Yes, and I've looked briefly through. There are a number of letters and complaints of various government ministries, organizations, the law society—this is an ongoing difficulty.

Mr. Gilbert Gagnon: It's an ongoing difficulty because I'm ongoingly in debt. So if the opportunities fund wants to help people on disability, they can at least mail me a cheque for what was offered for a settlement that I thought wasn't fair: They offered me \$2,500—I paid a lawyer \$5,000. They're still getting funded for millions of dollars a year, but no one's watching.

Mr. Michael Prue: Okay. This is the finance committee of the Ontario government. We are here to make recommendations to the Minister of Finance on where money should be spent. Is that your recommendation, that the opportunities fund should be more available to people like you who find themselves in legal and other difficulties?

Mr. Gilbert Gagnon: Exactly. That would help big time.

Mr. Michael Prue: Okay. Then I understand now exactly what you're trying to say, and I thank you.

Mr. Gilbert Gagnon: I thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. We are recessed until 1 p.m.

The committee recessed from 1156 to 1300.

ABITIBIBOWATER

The Vice-Chair (Mrs. Laura Albanese): Good afternoon. The Standing Committee on Finance and Economic Affairs will come to order for our afternoon session. Our first submission will come from Abitibi-Bowater via teleconference.

Hello?

Mr. Rick Groves: Hello.

The Vice-Chair (Mrs. Laura Albanese): Good afternoon. You have 10 minutes for your presentation, and that will be followed by up to five minutes of questioning that, on this rotation, will go to the government side. If you could please identify yourself before you begin for the purposes of our recording Hansard, that would be appreciated. You may begin.

Mr. Rick Groves: Okay. My name is Rick Groves. I'm with AbitibiBowater.

Members of the standing committee, good afternoon. I'm the forestry manager for AbitibiBowater's Ontario operations. I would like to thank you for the opportunity to address you.

AbitibiBowater has operations throughout the province of Ontario. The company directly employs over 1,650 employees and indirectly creates another 4,950 jobs. AbitibiBowater has invested more than \$700 million in Ontario facilities since 2000, with approximately \$108 million of that spent in the last two years alone.

I would like to discuss with you today some of the initiatives we feel are paramount in importance, as AbitibiBowater and the forest industry make their way through economic downturn and move towards recovery. There have been a number of key issues that were identified and implemented to help restore the competitiveness of Ontario's forest sector.

The northern pulp and paper electricity transition program is one of those programs. The transition program was put in place to reduce the cost of electricity to pulp and paper mills while they implemented a transition plan to a more sustainable energy supply. The continuation of the program is more important than ever, as the recession has destabilized the pulp and paper industry.

The global adjustment that the independent electricity system operator, IESO, and the Ontario Power Authority, OPA, used to adjust the Ontario power price went up by a factor of four in 2009. Without the transition program, our northern pulp and paper industry would be in complete collapse. We are therefore requesting an extension to this program while our industry continues to invest in energy conservation and new green technology.

Another important message to assist the industry through this downturn is the reduction of crown charges associated with white birch and poplar. These reductions have provided significant benefit for the hardwood sector, as well as to integrated companies like ours.

The present stumpage rates are also much more reflective of the actual value of the timber. Hardwood

stumpage was previously much higher in Ontario than in any other jurisdiction, so these reductions were not only justifiable; they were absolutely necessary. In our case, the release supported our continued use of hardwood both at our Thunder Bay and Fort Frances facilities. We believe the continuance of this program is essential.

The prosperity fund and loan guarantee program have also been of significant importance to the industry and have been effective in encouraging investment in mills in Ontario over the last several years. For example, our Fort Frances biomass boiler received prosperity funding for a portion of the capital required to do this project. The end result was an \$85-million investment in green energy that may otherwise not have made. This investment will also help to secure the long-term future at the Fort Frances operation. There are many companies, including Abitibi-Bowater, that would appreciate an extension to the program time frame in order to allow capital dollars to be spent. The economic downturn has delayed many potential projects, so some additional time would allow companies the opportunity to raise their portion of the capital dollars and use more of the initial allocation.

Another key program that was implemented to help restore the competitiveness of Ontario's forest sector is the road maintenance and construction program. This program has been very effective in reducing wood costs, which is one of the critical input costs for mills, along with the energy. It is important to note that this road program has been beneficial to more than just the industry. In fact, those who use the forest access roads for recreation, for instance, have experienced more roads that have continued to be maintained. During these difficult economic times, companies cannot afford to maintain the entire infrastructure without some level of support. Still, this funding does not cover the entire cost of road construction and maintenance, and companies continue to make up the difference. The road program is now a permanent program, announced by Premier McGuinty in 2006. They say it's essential in supporting a strong and healthy resource sector.

Again, in times that are financially challenging, we are not asking for new programs to be created. However, we encourage you to maintain the course, to continue to support these programs and continue to maintain an ongoing dialogue with our company and others in the progress and process to recovery.

Finally, I would be remiss as a forestry manager if I did not reference the need to maintain a sound and stable fibre basket from which to draw and develop. Access to a predictable, continuous supply of fibre is a fundamental component of a healthy forest industry and is necessary for a company like ours to leverage future investment and to grow new products from existing infrastructure. Today's forest products industry is more than wood, pulp and paper. It's the platform for the development of new products in industries like biofuels and bioenergy. However, we need a healthy primary forest industry with a sustainable, predictable supply of fibre to anchor the

other value-added opportunities that may develop in the future.

The overall message is simple: The programs put in place are valuable and have supported our company and our industry in the most challenging of times. They have been utilized and they've worked. We need to continue to maintain these programs in order to facilitate the recovery and transformation of an industry that is so vital to this province. Thank you.

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

Mr. Rick Groves: Questions?

The Vice-Chair (Mrs. Laura Albanese): Questions? Mr. Arthurs.

Mr. Wayne Arthurs: Mr. Groves—Rick—thank you for taking the time today to join us on a conference call. First, let me say that we have members from all the parties here, and we extend our apologies. We were unable to meet you face-to-face in Dryden yesterday as the weather the day before kept us from attending. We appreciate you taking the time this afternoon.

Just a couple of quick things, if I can, more just to recap the specifics that you put before us. One, there was no real request for anything new; primarily a request that we continue the course that we're on, specifically, in three or four areas, the principal one of which was the continuation of the NPPETP program—the electricity transition program—without which, in your words, could result in the industry's collapse. Is that a fair assessment of your words as well?

Mr. Rick Groves: That's a fair assessment, yes. The energy one is very critical to the pulp and paper sector. That is a huge component of our costs and they are not going in the right direction, so the transition program helps keep them going in the right direction until we get investments in Thunder Bay. That's one of the locations we have a program on the books to convert to more green energy, and we'll attract probably another \$80 million worth of capital investment, which the company is seriously considering as we speak, but that project takes time, from construction to when it's actually implemented, and we need those credits to get us over that hurdle.

Mr. Wayne Arthurs: Okay. And looking as well at the prosperity fund and loan guarantee program, which allowed the investment of some \$85 million in green technology as a result of that program as well by Abitibi?

Mr. Rick Groves: Yes, it has. Again, some of our other energy programs or projects have already been submitted to the prosperity fund, have been approved, but we still have to generate 60% to 80% additional capital dollars to make the project live. In these times, generating capital dollars is tough and we would appreciate an extension of that program just to allow us to spend the money that's already been committed to us.

Mr. Wayne Arthurs: Okay. And the road program is one of the more obvious ones to us.

Finally, the comments on the fibre basket, which we've heard annually from the industry, either corpor-

ately or more broadly through the association—there's obviously the need to retain, as you've referred to it, a sound and stable fibre basket for the industry to remain not only viable but healthy here in Ontario.

Mr. Rick Groves: Correct.

Mr. Wayne Arthurs: Okay. Those would be all my questions, Chair. Thank you again, Rick. Thank you for taking the time today. Again, we apologize for our inability to be with you yesterday.

Mr. Rick Groves: Understandable.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. We now move to our next presenter, the Ontario Forest Industries Association, home of CLA Grading and Inspection, via teleconference. Hello?

Mr. Dylan Rakowsky: They have to call in.

The Vice-Chair (Mrs. Laura Albanese): Oh, they have to call in? Okay. So we're recessed for a few minutes.

The committee recessed from 1310 to 1311.

ONTARIO FOREST INDUSTRIES ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): We're back in session. We welcome the Ontario Forest Industries Association, home of CLA Grading and Inspection, via teleconference. Good afternoon. Mr. Jackson?

The Clerk of the Committee (Mr. William Short): No, it's Ms. Lim.

The Vice-Chair (Mrs. Laura Albanese): Ms. Lim?

Ms. Jamie Lim: Hi. Good afternoon.

The Vice-Chair (Mrs. Laura Albanese): Hello. Good afternoon. You will have 10 minutes for your presentation, and that could be followed by five minutes of questioning. This rotation will go to the official opposition. Please identify yourself on the record for the purposes of our recording Hansard, and you may begin.

Ms. Jamie Lim: Thank you. Members of the standing committee, for years OFIA and our members have been told by government leaders that the forest sector needs to explain, needs to educate, needs to get the word out there, like Governor Schwarzenegger and Premier Campbell are doing right now. They're using products derived from sustainably managed forests. It's one of the best things each of us can do to reduce our carbon footprint.

So last year we outlined the pivotal role for Ontario's forest sector in the transition to the province's new local green economy. By utilizing our sector's expertise and existing infrastructure, by promoting our world-class forest management standards and strong environmental record, it was recognized that Ontario's forest sector was well poised not only to take advantage of emerging markets such as bio-energy, but was very well positioned to capitalize on expanding and recovering markets for primary and secondary forest products, many of these right in our own backyard.

We explained that with the right public policy in Ontario and continued government support in key areas, Ontario would attract new investment, create employ-

ment and generate prosperity for all Ontarians, a sentiment that holds equally true today.

We met with numerous key ministers and ministries and explained the made-in-Ontario challenges and opportunities, and shared what FPAC's 2009 report, Future Bio-Pathways project, recently confirmed: that the most promising future involves sawmills and engineered wood product plants, mixed with bio-refineries which produce a range of bioproducts. It also highlights the benefits of an integrated approach that builds on a strong primary sector, pointing out that the traditional forest products tend to generate a far higher employment multiplier.

We left these meetings feeling like there was a greater understanding of how, with the right provincial policy, we could continue contributing to Ontario's prosperity. But a year later we feel confused, due to mixed signals.

On one hand, 2010 saw 2009 opportunities realized. Ontario's citizens, architects, engineers and builders went local. As evidenced by their actions, they recognize that by using local Ontario forest products, they're not only making an environmentally responsible choice; they are supporting local jobs and local communities.

In August, Craig Marshall, of Toronto's Marshall Homes, unveiled an Oshawa subdivision home built using only Ontario wood, stating: "I think it's time builders and consumers in Ontario take a conscious effort to support this industry by building homes using most if not all of their wood from Ontario suppliers.... It not only makes good economic sense; it makes great ecological sense as well."

GTA home builders purchase about \$800 million of lumber annually, and it's estimated that 70% comes from outside of Ontario. This represents an annual opportunity of over \$500 million for Ontario's lumber sector.

Attending the event, Minister Gravelle commented: "Housing and forestry are two key economic drivers in Ontario.... We recognize there are real opportunities and we're going to move on them."

This initiative received further support in the Legislature from GTA MPP Wayne Arthurs when he called upon government to "aggressively promote the use of Ontario wood products in residential and commercial construction throughout Ontario."

This is where it gets confusing, because while we have all this good local stuff happening, while we have some in government making supportive statements, government action, on the other hand, is reducing Ontario's industrial wood supply and threatening our economic recovery. In order to sustainably maximize this sector's potential and navigate through this recovery, we're asking government to act quickly on the following six recommendations.

First, permanently protect Ontario's industrial wood supply. We were pleased when Minister Gravelle stated that Ontario's crown forests can sustainably produce about 26 million cubic metres of wood annually, yet we continue to see an erosion of Ontario's land base due to government action. For example, MNR recently announced its intent to reduce the area available to forestry

in Algonquin park. To date, the MNR has not been able to provide one credible social or ecological rationale for this initiative, despite the undeniable fact that this initiative will have negative repercussions on the forest sector and local economies.

As a sidebar, most of our companies that have been harvesting out of Algonquin park are into their sixth generation: over 162 years of harvesting in that park, and most people never even know it. In fact, the Algonquin Forest Authority, in a report to government, expressed reservations about the proposal, as they were unable to say with certainty that this proposal will not negatively impact the forest industry and local communities.

Also, Ontario's Endangered Species Act continues to threaten our wood supply. To put this in perspective, this past fall, after only one public workshop in Toronto and no economic analysis, the wood turtle habitat regulation, which represents a 2,000% increase over previous standards, received cabinet-level approval and was filed. Economic analysis conducted by one of our members indicated that this new regulation will threaten 40% of the total available fibre on their management unit.

Business runs on certainty. How can the province stimulate investment and generate employment when the wood supply in Ontario is constantly threatened and continually shrinking? OFIA requests that the government permanently protect a minimum of 26 million cubic metres annually for utilization by existing mills and new entrants, even if it's not being used, because markets recover. Further, OFIA requests that government conduct economic impact assessments on all decisions that could reduce the provincial wood supply and cut jobs.

The following five recommendations are covered in far more detail in OFIA's written submission.

The second request is that government maintain all existing competitiveness measures and initiatives that have been put in place since 2005.

Our third request is that government maintain the crown dues rate for poplar and birch at a rate no greater than \$1.07 a cubic metre for the next three years.

Fourth, the OFIA recommends that the Ministry of the Environment develop a risk-based approval system that quickly gives approvals to low-risk projects and puts more effort into approving complicated, high-risk projects. Also, again, we recommend that all new MOE policy receive economic impact assessments before the government makes final decisions.

Our fifth recommendation has to do with industrial electricity rates. OFIA members continue to be alarmed by the trend of rapidly increasing delivered electricity prices. We're asking for your support to reverse this trend and bring delivered industrial electricity prices to a competitive level. Detailed actions on electricity are on page 10 of our written submission.

Lastly, OFIA recommends the creation of a green energy credit. In Ontario, the forest sector is the largest producer and consumer of green energy. By working with Ontario's forest sector, the government will be

stimulating the province's green agenda with a made-for-Ontario green energy program.

In conclusion, Ontario currently consumes more wood products than it produces. As the population in southern Ontario continues to grow, the domestic demand for wood products will only increase, raising a fundamental question: Do we want to produce these products in Ontario, supply well-paying jobs, provide support for our rural and northern communities and, through integration, maximize biopathway opportunities, or do we want to forgo these benefits and import wood products from other jurisdictions? We can no longer witness the slow erosion of our natural resource sectors due to the agendas of special interest groups in Toronto which all have as their focus the permanent removal of land base from industrial use. We have incredible, responsible, economic opportunities in front of us and in order to maximize them we need the government to permanently protect our industrial wood supply, start conducting economic impact assessments, and take quick action on OFIA's recommendations. We need strong public policy that supports Ontario's world-class forestry sector and protects the economies of our communities and our province, because a healthy forest sector means a healthy Ontario and it keeps 200,000 working families employed.

1320

Thank you, members of the standing committee.

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

Mr. Toby Barrett: Thank you, Jamie. Toby Barrett here.

Ms. Jamie Lim: Hi, Toby.

Mr. Toby Barrett: I apologize for Dryden; we tried.

By 2012, the remaining four coal generating stations will be shut down. A quick question and then Norm Miller has some questions. Is the Ontario government and the forest industry—are you on schedule to replace a lot of that generation with wood biomass?

Ms. Jamie Lim: Toby, I can't answer that. That's a question for my direct member companies, if any of them are presenting to the standing committee. My members have been using biomass for fuel for a long time, so this isn't new to us. Are they ready to replace? Again, you'd have to ask my specific companies.

Mr. Toby Barrett: Thanks, Jamie.

Mr. Norm Miller: Jamie, it's Norm Miller here.

Ms. Jamie Lim: Hello, Mr. Miller.

Mr. Norm Miller: How are you?

Ms. Jamie Lim: I'm well, thank you.

Mr. Norm Miller: Good. Thank you for your presentation. I certainly noted your issues, especially the diminishing amount of area that you're able to carry out forestry operations on. You mentioned Algonquin park; Lightening the Footprint, I believe, is the name of the proposal—

Ms. Jamie Lim: Lightening the Footprint initiative; you're right.

Mr. Norm Miller: —that is making it more expensive and more difficult to carry out forestry operations in Algonquin park.

You also mentioned the Endangered Species Act. I was involved from the perspective of the opposition on that act, and it seemed to me that at the time it was passing through, the government said they were going to recognize the Crown Forest Sustainability Act but then changed their mind after the fact. Is that the case?

Ms. Jamie Lim: Yes. We have two letters, Mr. Miller, that made promises that the Endangered Species Act would be implemented using the Crown Forest Sustainability Act because we've been providing habitat for endangered or threatened species for years, for decades. To go and add another complex level was totally bizarre.

But you have to look at what has happened. This wood turtle habitat regulation that was passed without any economic assessment—you're in a recession, you've got \$25 billion worth of debt and you're not doing economic impact assessment on your policies? It's quite mind-boggling. But anyway, this wood turtle is taking habitat from 300 metres to 12 square kilometres, and that's for a period of 20 years. You can't expect investors to invest, innovate, upgrade and keep people employed when they don't know if they have access to wood. The uncertainty is so significant and so huge, and with Algonquin park 7% of the land base is what's proposed to be removed and yet there's no science, just as there's no science with the wood turtle habitat. The biggest threat to the wood turtle is poachers because they pick them up and sell them for the pet trade. This habitat regulation that was just put in place does not preclude poaching and yet that's the biggest threat to the wood turtle, but it's going to cost 40% of fibre and one management unit where we've conducted economic assessment? That's jobs.

Mr. Norm Miller: And I understand your concern with energy prices. Unfortunately, I see them going nowhere but up in this province with some of the policies. But I just wanted you to briefly talk about the carbon footprint of forestry, because it's my impression that if you're harvesting trees and you have a healthy forest and the wood is being harvested into dimensional lumber, you're still storing carbon, so can you talk a little about that?

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

Ms. Jamie Lim: I had a whole suitcase full of books for you, because I never visit you guys without a tickle trunk. I had one of the latest books, the hottest book that's out there right now, Tackle Climate Change—Use Wood, the North American edition, and the preface is written by Premier Campbell and Governor Schwarzenegger. In it, and to quote the two of them, they say that they're hoping that people in both jurisdictions will "take the time to learn why using products derived from sustainably managed forests is one of the best things" we "can do to reduce our carbon footprint."

Trees die. It's what they do. When we manage a forest, we go in like farmers, like gardeners, and we ensure

that we manage against forest fires, we prune, we keep the trees growing. When we harvest, we plant new trees, and the new trees, like little babies, suck up more carbon than the older, dying trees do. They actually start adding.

Mr. Norm Miller: Thank you, Jamie.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. The time, unfortunately, has expired, but we thank you for your presentation.

Ms. Jamie Lim: Have fun in North Bay. All the best.

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

DOMTAR

The Vice-Chair (Mrs. Laura Albanese): We now call on Mr. Pond from Domtar via teleconference. Hello, Mr. Pond. Are you there? We're now connected via teleconference with Mr. Pond from Domtar. Good afternoon.

Mr. Digger Pond: Good afternoon.

The Vice-Chair (Mrs. Laura Albanese): We would like to let you know beforehand that you have 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 before you begin.

Mr. Digger Pond: My name is Digger Pond. I'm the forest lands manager in northwestern Ontario for Dryden.

Madam Chairman, members of the standing committee, thank you for once again holding pre-budget consultations for northwestern Ontario and for granting Domtar the opportunity to address this committee.

I would like to take this opportunity to present a number of reflections and recommendations regarding the economic situation facing our operations in Ontario and our broader forest industry.

As you may be aware, Domtar is the largest manufacturer of uncoated freesheet in North America. Uncoated freesheet is a technical name for fine paper—for example, photocopy paper. We operate 13 paper mills and three market pulp mills in Canada and the United States. We also operate a number of sawmills in Ontario and Quebec. Domtar employs approximately 14,000 people, 2,000 of whom live and work in Ontario.

You may have already heard from various regional and provincial organizations about the severe financial and human toll extracted by the early recession Ontario's forest industry has faced for more than three years. In my estimation, nearly 50% of industrial capacity in lumber, pulp and paper, and panels has been idled, most of it indefinitely and some of it permanently. We have endured this experience at the Dryden mill, which, prior to January 2009, produced pulp and fine paper. We have had to restructure the Dryden mill, which now produces softwood pulp only.

We consider our operation at Dryden as among the survivors for now, but we are by no means out of the woods. Given the global credit crisis, low-cost foreign competition, secular paper demand, declines in the US housing market and the US housing market not expected

to fully rebound until at least 2011, this is truly a serious business situation.

We have chosen instead to focus on those mills that are more strategic and competitive, such as the Dryden softwood pulp mill, the Espanola specialty pulp and paper mill and our Nairn Centre, Timmins, Elk Lake, Gogama and Ear Falls sawmills, the latter of which is currently indefinitely shut down.

We remain on constant watch as markets decline, prices fall and costs remain stubbornly high in comparison to our global competition. It will require the extraordinary commitment and creativity of our 2,000 Ontario staff, employees and contractors, assisted where possible by our government partners, to weather this continuing and unprecedented storm. At Domtar, our survival strategy is focused on a variety of areas, four of which the Ontario government can meaningfully contribute to in 2010 and beyond.

1330

Firstly, we need a secure long-term fibre base that meets present and future volume needs and provides a compelling incentive for boards of directors to invest scarce capital in Ontario. Particularly given the existence of alternative investment jurisdictions within our own company, there is a need to dispel the growing perception that Ontario is more about forest preservation than about forest management. Proposed 10-year reforms need to enhance, not diminish, business certainty. Indeed, a formal government commitment to permanently protect an industrial fibre supply of 26 million cubic metres per year of commercial fibre used by existing facilities and new entrants during normal market periods would send a powerful and reassuring signal to investors.

Secondly, we need that secure fibre base to be both affordable and competitive, which it most certainly is not, not even on a North American basis, let alone a global basis. For example, Ontario delivered softwood fibre costs in 2009 were 29% higher than those of British Columbia and 31% higher than the US south. Governments can help level the tilted playing field by maintaining the current \$3-per-cubic-metre stumpage reduction on intolerant hardwoods and by reducing base stumpage of softwood pulp by at least \$2 per cubic metre to compete with western Canadian provinces. The other beneficial programs that must continue are the Ontario forest roads program, which shares the cost of building and maintaining public sector infrastructure between the government and industry, and the forest sector prosperity fund. Since fibre accounts for about 35% of the pulp mill input costs and 65% of sawmill input costs, I cannot overstate the urgency of dramatically reducing the current cost to at least North American average levels if we are to survive.

Thirdly, it is critical that the initiatives implemented to help restore the competitiveness of Ontario's forest sector be maintained. Maintaining initiatives like the northern pulp and paper electricity transition program is key to the competitiveness of our remaining pulp and paper operations in Ontario. This program must be extended, since

even after a \$10-per-megawatt-hour rebate, our net rates remain 45% higher than Quebec's and 65% higher than BC's.

Finally, number four, we request a recognition of the value of an integrated forest sector and the importance of primary mills like our mills in Ontario—Dryden and Espanola—as the biofibre and value-added sectors are developed. It's like the auto sector: Without an auto sector, you won't have a strong auto parts sector. The same is true for the forest industry. Without a strong primary sector—for example, pulp, paper and lumber—we don't have a strong value-added sector.

Domtar and its predecessor companies have a 100-year history of forestry and mill operations in Ontario. As mentioned, we currently employ more than 14,000 people in North America, and 2,000 of them are in northern Ontario. We contribute well over \$1 billion annually to Ontario's economy through the purchasing of goods and services, half of this from companies in southern Ontario.

We are proud of our achievements in sustainable forest management, in Forest Stewardship Council certification, in community support and in the employment of hard-working men and women who produce high-quality Ontario products every day.

Recognizing Ontario's challenging fiscal situation in 2010, we are not asking for either a bailout or a handout. Rather, we seek the continuation of government initiatives in place since 2005 and targeted new measures directed at approaching parity with our global competitors in wood and electricity costs.

With the downturn in Ontario's base metal mining industry, we are all reminded of both the fragility of northern Ontario's economy and the need for economic diversification. Our forest industry has always been a part of that diversity and always will be, if provided with a competitive future investment climate. Please continue to work with us in 2010 to create a climate of economic opportunity.

Thank you for taking the time to receive our input. We look forward to it being reflected in this year's provincial budget. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you, Mr. Pond. I will now turn it over to Mr. Prue for questions.

Mr. Michael Prue: Thank you very much. This is Michael Prue. I'm the NDP member on the committee.

The questions I have are about the industry. You talked about Domtar having 14,000 people still working in Canada, 2,000 in Ontario, and then went on to say that 50% of the mills are idled.

Mr. Digger Pond: No, sorry: 14,000 people in North America.

Mr. Michael Prue: Oh, in North America. Okay.

Mr. Digger Pond: Yes, 2,000 in Ontario.

Mr. Michael Prue: Okay. And 50% of the mills are idled. What is the possibility of some of those mills being reopened? You said some will never reopen; some may. But given the circumstances, is there any possibility of any of the mills opening within the next year or two?

Mr. Digger Pond: I believe there is, which comes to the point of the request in our proposal of maintaining the programs that are currently in place and working toward enhancing others. Obviously, with the stumpage situation in Ontario compared to other provinces, for example, on the pulp and paper side of things, we are at a competitive disadvantage right now.

Mr. Michael Prue: But until that can be addressed—and this is the question; I want them to reopen—what does the government need to do to actually give the incentive for your company and other companies like yours to reopen those closed mills?

Mr. Digger Pond: Electricity and costs are two of the key areas for us. Again, the programs that are currently in place, like the roads program—I think it's critical for those programs to continue, plus we have to take additional steps toward making stumpage rates, for example, in the province consistent with other provinces to be able to kick-start some of the mills that are idle right now.

Mr. Michael Prue: In terms of electricity, we know that electricity is produced in much of northern Ontario at around three or four cents a kilowatt, and we know that northern Ontario, and your companies in particular, are being charged many times that. Are you suggesting that we go back to a period where the electricity produced in northern Ontario could be used in northern Ontario at cost? Because now, there's sort of one cost for all of Ontario.

Mr. Digger Pond: Yes, there are different options to be able to get those costs down. You bring up the point of what the cost is to produce electricity. You're accurate in the sense of how much we pay for electricity. Still, even with the energy rebate programs that are in place, we're 45% higher than Quebec and 65% higher than BC, and the companies in those provinces are who we're competing against to try to keep our mills going. Obviously, something needs to change to be able to at least get on the same, level playing field as these other provinces.

Mr. Michael Prue: In terms of using biomass, I know that the lumber industry and Domtar have been using biomass for years. Is there any possibility that could be speeded up to the point where you could get most of your power from that, from the same products you're harvesting, so that you don't have to rely on the electrical grid?

Mr. Digger Pond: Yes. It comes back to creating an investment climate where you can convince companies to invest in this jurisdiction. Obviously, to be able to do that, you'd have to be able to have capital at your facilities, right?

Mr. Michael Prue: Yes.

Mr. Digger Pond: And to do that, you have to have an investment climate where you've got that fibre base that's secure for your mill and an operating cost that's low enough or consistent with other jurisdictions so that you can compete, and then I think you can attract the capital to do those things.

Mr. Michael Prue: Is the technology possible today to do that?

Mr. Digger Pond: Is the technology there? Yes.

Mr. Michael Prue: Thank you very much. Those would be my questions.

The Vice-Chair (Mrs. Laura Albanese): Mr. Pond, thank you very much for your presentation this afternoon. We're not recessing, but we're paused.

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ONTARIO COMMUNITY SUPPORT ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): We now welcome Ms. Noiseux. Good afternoon.

Ms. Carmelle Noiseux: Good afternoon.

The Vice-Chair (Mrs. Laura Albanese): Ms. Noiseux, from the Ontario Community Support Association, is joining us via teleconference.

I would like to let you know that you have about 10 minutes for your presentation, and that will be followed by five minutes of questions from committee members. Each party is going on rotation, and the questions in this round will come from the government side. Please identify yourself before you begin for the purposes of our recording Hansard. Thank you, and you may begin.

Ms. Carmelle Noiseux: Thank you. Hello, everyone. I'm on speakerphone, so I hope you can hear me well. My name is Carmelle Noiseux, and I'm the manager of Grace Haven adult day program in Dryden.

Our organization is part of the Ontario Community Support Association, a network of agencies providing home and community care to 750,000 Ontarians per year. I'm very excited about the opportunity to represent our organization and have a voice in the preparations for the upcoming 2010 Ontario provincial budget.

The Vice-Chair (Mrs. Laura Albanese): Ms. Noiseux, could I ask you to get off the speakerphone, if you could? It's causing an echo, and we can't hear you well.

Ms. Carmelle Noiseux: Okay, is this better?

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

Ms. Carmelle Noiseux: Okay. All right. So, again, my name's Carmelle, and I'm a manager of a day program in Dryden.

I'm here to provide the unique perspective of our grassroots not-for-profit community service in the north-west region. It's a great time for partnership, integration, innovation and co-operation for service providers and the government.

I'd like to share with you some information on what Grace Haven does and where we fit into the care and growth of our community. We opened our doors over 11 years ago to provide respite, recreation, education, transportation, medical support and meals to adults who are mentally, physically, emotionally or socially frail—individuals who, with enhanced supports, live independently in the community. One of the best benefits of our program is its beautiful home-like setting, with flower and

vegetable gardens. There's nothing institutional about community support.

Just to give you some background on our community, Stats Canada data reveals that by the year 2016, our senior population—that is 65-plus—could rise to equal 34% of our general population in Dryden. Adding to that the lack of job security in our community, which has caused many to leave, reduces family supports for seniors. When the demands of the current 50-year-olds hit the system in our area, it'll be far greater, since we have grown up with more and expect more.

Providing care at home is the most cost-effective way to ensure a healthy Ontario. We know that there is a wide gap between community service costs and institutional costs in the province. The cost of providing two hours of laundry service and one hour of personal care could be all that's required to keep a 95-year-old community member at home and avoiding long-term-care placement, which is a greater cost to the province. Individuals with more serious diagnoses such as Alzheimer's disease would be able, when needed, to access that full-time, 24-hour support in a long-term-care setting, allowing the other community members to live, age and die at home as they wish.

Even with a current staffing unit equal to one full-time employee, our small agency is able to provide over 1,600 service hours per client to over 40 clients throughout the year. We are able to do so because we have over 100 volunteers that help with programming, transportation, fundraising and board representation.

In a northern community like ours, services often naturally expand to meet needs. We've expanded our client services to fill gaps in service and support younger individuals with acquired brain injury, sometimes resulting from failed suicide attempts, which is a real issue and becoming unfortunately more prevalent in the aboriginal population. We help clients attend programs and come into town through volunteer driver programs because they cannot afford a \$40 taxi drive for a 10-minute trip into town. We have seen isolated and frail seniors go from sleeping all day due to depression and hopelessness to getting up, getting into routine and participating in life again. We have witnessed, through OT referral and community support, the change in someone's life from falling several times a year to having no falls over a one-year period.

Many supports can be put into place quickly, but the supports are still limited. The wait-list for supportive housing in our community is up to two years, with long-term wait-lists being very much the same. The longer people have to wait and the further their family supports are, the faster their health will deteriorate.

Being taxpayers, we recognize the challenging fiscal situation the province and our government is in. This challenge is a daily reality as smaller organizations like ours are forced to fundraise between 10% and 40% of our budgets. Fiscal responsibility is one we take seriously, and financial juggling and creative thinking are put into place so that client needs never suffer, client fees are kept

at a minimum, and we are still able to plan for growth and expansion.

Being mindful of the government's responsibility does not detract from the reality of the needs and demands of an ever-changing and ever-aging population in a geographical area equal to one third the size of Ontario. In our communities, family size is decreasing. Families are often scattered across the country, which makes caregiving more challenging. Some families have to travel two to five hours to visit loved ones moved into long-term care because there are no beds available within their own community. Weather conditions can make visits and supports from families very unpredictable. Many do not have access to needed supports due to challenges in transportation. People cannot simply hop on an accessible bus or cab. Wheelchair-bound is really wheelchair-bound in many parts of the northwest. Can you imagine needing a medevac just to go to the dentist, or travelling one to two hours, three times a week, for four hours of treatment for dialysis? Many service providers extend their services over this huge geographical area.

We also see increases in unemployment, smoking, suicide, alcohol abuse, obesity and chronic disease, and lower rates of direct primary care, even for palliative patients, who bring their own issues. We've got complex health and social problems that we need to take a serious look at in the northwest. We have the highest percentage of aboriginal peoples, more seniors living at home alone, more unpaid caregivers—the list goes on.

When new funds come through they often head straight to the larger centres, and in the northwest, that's Thunder Bay. We face strong competition to find and retain nurses, doctors and PSWs. We've had to close the emergency room several times due to lack of physicians. A recent community needs survey revealed that primary care is still the top of your list—see your own doctor when you need to. Other service providers see that an increase in funding to provide care for walk-in clinics, hospice, travelling chiropodists and respite is needed in our area.

We urge the government to look at the disparity between larger centres and institutions and home-based care settings, to provide adequate support to service agencies to ensure that personal support workers and other community workers are paid adequately and are given benefits equal to those in institutional settings. We also urge you to provide the resources available to monitor the training organizations to ensure quality of training.

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Community supports save money: The cost difference between long-term care and alternative level of care is great, from four times to 100 times the difference in cost. Many times, adding minimal services, such as one meal service a day or helping with laundry once a week, is all that's needed to avoid long-term care or hospital placement.

Investing in home and community care frees up hospital beds and unclogs emergency rooms. We're able to intervene before informal caregivers burn out or a crisis

occurs, resulting in alternative level of care and expensive hospital stays. Living in your own home allows an individual more control of their own life: when to get up, eat breakfast, have a bath, assume responsibilities for one's own actions and live with dignity and equality within our community.

We also stress the need for adequate and uniform assessment tools. The selection process of the tool that is requested will be completed by March 31, 2010—a year early. In last year's pre-budget submission, the Ontario Community Support Association requested this, and we thank you for following through. We encourage you to invest sufficient resources so that community support providers can implement the common assessment instrument without negatively impacting their ability to provide services and to continue to work within the LHINs' mandate to improve the health care system.

The Vice-Chair (Mrs. Laura Albanese): You have about 45 seconds left.

Ms. Carmelle Noiseux: We also ask you to take a serious look at the harmonized sales tax initiative, to keep monitoring it, to provide sufficient resources to community support agencies to make the transition alongside with small businesses.

We encourage the government to look at increasing funding to the LHIN, to disburse these funds to community support services to ensure that people are receiving the health services they need within their own community.

Thank you very much. I would love to answer some questions, if you have any.

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

Mr. Wayne Arthurs: Thank you, Carmelle. This is Wayne Arthurs. Just a couple of questions. You covered a pretty broad range of supports that support organizations provide and certainly made some reference to the geographical challenges that northwestern Ontario has to face in doing that. With the financial resource capacities that are available, how do you go about prioritizing where those dollars are going to be spent, and what would you see as the high-priority areas, given today's fiscal environment, because there are not going to be a lot of additional monies available, if any?

Ms. Carmelle Noiseux: In our community, we see a few key areas that are lacking. One is that we definitely would like to expand and diversify some of the supportive living environments. People are able to live within their own homes with the community supports that are made available, but there is a gap between living in their own home and the number of supportive housing units available. If there were more beds available, then people would not have to enter into long-term care early, and that would be a cost savings.

As far as prioritizing, we have formed a committee within our own community, a coalition of health and service providers. One of the initial steps is educating the community on what services are available and asking

what they see as their needs, to ensure that they can stay and age in place for as long as possible. One of the key points in that survey was that people are still very concerned with access to primary care, that we're still very much competing with the larger centres to attract doctors and retain them in our community.

Mr. Wayne Arthurs: That's particularly helpful. We know the challenges of finding primary care. The physicians or nurses in rural communities, particularly those with large geographies—that's going to be a continuing challenge. Thank you for your comments on the supportive living environments and housing capacities. Certainly, we're hearing from others during the tour we've been doing about methodologies that are more cost-effective to manage people, either in-home or in an environment other than hospitals, where it's a much higher-cost venture to keep people for extended periods of time.

Ms. Carmelle Noiseux: Yes, and none of us want to be there, so that really affects our emotional and mental health as well.

Mr. Wayne Arthurs: Carmelle, thank you very much. That's the end of my questions, Chair.

Ms. Carmelle Noiseux: Thank you.

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

We are just waiting for the telephone to ring.

KENORA-RAINY RIVER DISTRICT HOSPITALS

The Vice-Chair (Mrs. Laura Albanese): Our next presentation will come from the Kenora-Rainy River district hospitals, via teleconference. Good afternoon.

Mr. Mark Balcaen: Good afternoon.

The Vice-Chair (Mrs. Laura Albanese): I would like to remind you that you have 10 minutes for your presentation; that could be followed by up to five minutes of questioning. Each party is going in rotation, and this round will go to the official opposition.

I also want to clarify who is on the phone: We have two names that were provided to us, so if you could please state your name clearly before you begin for the purposes of our recording Hansard.

Mr. Mark Balcaen: Very good. Would you like me to start now?

The Vice-Chair (Mrs. Laura Albanese): Yes, we would like you to start now, but do we have both Mr. Petranik and Mr. Balcaen?

Mr. Mark Balcaen: No, it's Mark Balcaen speaking.

The Vice-Chair (Mrs. Laura Albanese): Okay; Mark Balcaen. Thank you very much. You may start.

Mr. Mark Balcaen: Thank you. I'd like to first of all express my appreciation to the committee for allowing us to present to you today. I'd like to introduce myself first. My name is Mark Balcaen and I'm the president of Lake of the Woods District Hospital, located in Kenora. I am here speaking today on behalf of the six hospitals located west of the Thunder Bay district, going towards the Manitoba border. They include the Red Lake Margaret

Cochenour Memorial Hospital in Red Lake; the Atikokan General Hospital; the Sioux Lookout Meno-Ya-Win Health Centre; the Riverside Health Care facilities in Fort Frances, Emo and Rainy River; and the Dryden Regional Health Centre in Dryden.

Ladies and gentlemen, we face unique challenges. Six of our hospitals provide a wide range of health services to a population of some 85,000 people dispersed in a geographic area equal to 40% of the total land mass of Ontario. Over one third of this population is aboriginal, either living in or around the six larger communities in the south that I've just mentioned or scattered among the 30 remote First Nation communities in the north. Our largest communities are between 250 and 500 kilometres away from the closest urban centres of Winnipeg and Thunder Bay.

Weather conditions make travel extremely challenging, which exaggerates this region's remoteness and isolation. I believe some of you experienced those weather condition problems in your attempt to get into Dryden yesterday. Travel by road is by single-lane highways that are often closed due to weather conditions or serious traffic accidents. Just to let the committee members know, yesterday there was a major traffic accident on the TransCanada Highway between Kenora and Dryden involving two semi-trailers. The highway was closed for over four hours.

Travel by air, the only option for most First Nation communities, ranges from challenging to impossible in many weather conditions and often leaves us with fewer or no options for urgent and non-urgent patient transfers. Air and land ambulance services are stretched to respond to critical and emergency situations as well as to support the non-urgent patient transport needs of the district.

Hospitals in the Kenora-Rainy River district have a long tradition of providing high-quality, comprehensive care services to our communities. In addition to general surgery services provided in four of our hospitals, we also provide many visiting-specialist clinics and access to specialist surgical procedures, including cataract surgery; ear, nose and throat surgery; pediatric dental surgery; and gynecological surgery. Many of our hospitals also provide life-saving outpatient chemotherapy and dialysis services.

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If our hospitals did not offer these programs, families would have no alternative but to travel multiple times, over long distances, to urban centres, delaying both diagnosis and treatment, and incur significant economic costs in terms of time off from work and travel and accommodation costs.

We have different responsibilities than many other hospitals in Ontario. We are both the hub and the safety net for the health care in our communities. In addition to acute care hospital services, many of our organizations provide primary care, community mental health and addictions programs, chronic care, community rehab programs, chronic disease management, disease screening and prevention, health promotion, long-term care and

palliative care. We really do provide a huge range of services for our communities.

Because of economic and geographic barriers, there are many gaps in community-based services so the hospital becomes the place of last resort when no other service is available, whether it be an emergency room, a crisis response counsellor, detox service or respite beds.

The Vice-Chair (Mrs. Laura Albanese): I am sorry to interrupt you, Mr. Balcaen. I wanted to let you know that we have Mr. Petranik on the other line. We have technical challenges in getting both of you to be heard at the same time, simultaneously. Therefore, Mr. Petranik wanted to know if you would like him to answer the questions at the end of your presentation or if you're okay with doing that yourself.

Mr. Mark Balcaen: I'm happy to share the presentation and have my colleague answer the questions.

The Vice-Chair (Mrs. Laura Albanese): Okay, then. Thank you very much. You may continue.

Mr. Mark Balcaen: Our hospitals are also leaders in providing culturally sensitive and appropriate health care services to all the communities we serve, including offering our aboriginal patients services in their own language, sensitive to their cultural traditions.

Let me put this in perspective. In other areas, many of these services are offered outside of the hospital. For example, the Toronto Central LHIN, just one of three LHINs that serve parts of Toronto, funds 204 different health service organizations, from teaching in community hospitals to home care and Meals on Wheels. That kind of breadth and specialization of services is, for the most part, provided only by hospitals in northwestern Ontario, which is why keeping our hospitals strong and stable is so important.

We understand that the fiscal economic crisis facing Ontario is extraordinarily serious and that government revenues have fallen dramatically. We understand tough times in northwestern Ontario, and that tough times necessitate new ways of doing things.

Our isolation and limited resources have inspired close co-operation with and among our local and regional health care partners, and we are leaders in the application of telemedicine technology, integrated information systems, regional laboratory services and digital imaging. We are proud of our work in this regard.

As you know, the government has been unable to provide hospitals with an operating-funding planning target for the 2010-11 fiscal year. In the absence of that target, LHINs and the hospitals have developed planning scenarios derived from different funding assumptions: the 0%, 1% and 2%. This is a reasonable and responsible step in these circumstances.

We believe that a 2% increase in hospital operating funding for 2010 and 2011 is reasonable and responsible in these economic circumstances and will help to minimize the negative impacts on patient services. It will also help to maintain public confidence in our hospitals and the health care system.

Although you will likely hear this from hospitals in other corners of the province, the need for this level of funding is absolutely critical in northwestern Ontario, given the central role that the hospitals play in providing health care. For the reasons outlined earlier, it is clear that a reduction in hospital funding in northwestern Ontario would be a reduction in direct patient care services.

Hospitals in northwestern Ontario are special. We have achieved these significant accomplishments in spite of the significant challenges of vast distances, weather, travel, transportation, and professional staff recruitment and retention.

The future prosperity of this part of the province depends on having a strong health care infrastructure to support economic development. Our hospitals understand the difficult financial realities of today and, as always, we are willing to do our part. Over the years, we have answered the call of improving the quality and safety of our services, meeting increased standards and regulations, and improving efficiency and accountability. However, we must ensure that our health system is strong to support the communities and economy of the future, and that the Kenora-Rainy River hospitals are able to continue to be that safety net that our communities desperately need today.

Thank you for the opportunity to speak with you today on these matters of extreme importance for the people of the Kenora-Rainy River district.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation, Mr. Balcaen. We will now—

The Clerk of the Committee (Mr. William Short): Hear from Wade.

The Vice-Chair (Mrs. Laura Albanese): Yes. We will hear from Mr. Petranik. Thank you very much.

Mr. Peter Shurman: On a point of order, Chair: Was Mr. Petranik capable of hearing Mr. Balcaen?

The Clerk of the Committee (Mr. William Short): No.

The Vice-Chair (Mrs. Laura Albanese): No.

Mr. Peter Shurman: But he has the presentation, so that's okay.

The Vice-Chair (Mrs. Laura Albanese): That's why I interrupted him.

Mr. Peter Shurman: That's fine.

The Clerk of the Committee (Mr. William Short): Okay, go ahead.

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

Mr. Wade Petranik: Good afternoon.

The Vice-Chair (Mrs. Laura Albanese): Good afternoon. We have heard the presentation from Mr. Balcaen, and we're now ready for the question part of the presentation. This rotation goes to the official opposition. Mr. Barrett?

Mr. Toby Barrett: We appreciate the deputation. We regret we could not get up to Dryden yesterday.

In the presentation, it identified the hospitals often-times as a place of last resort for detox and other gaps in

community services. Several of our presentations on this tour from other hospital organizations talk about the pressure on beds because the community does not have adequate either long-term-care facilities or supportive housing or retirement homes.

I guess two questions: Is there pressure on bed availability amongst the several hospitals west of Thunder Bay? Secondly, is it related to long-term care or people who may be better served in another facility, or even at home, for that matter?

Mr. Wade Petranik: Yes, there are pressures in many of the communities in the Kenora–Rainy River district. Certainly in Dryden here, for example, as of today, 50% of our beds are currently occupied by ALC patients, most of those requiring long-term-care services that they are unable to obtain.

I would say that the other communities have similar pressures. It's somewhat sporadic, so we have higher pressures at certain times of the year. Particularly in the wintertime it seems to be more of a problem, but it is a problem at certain times.

Mr. Peter Shurman: Mr. Petranik, it's Peter Shurman, MPP for Thornhill. My question focuses on the 2% increase that you're looking for. A lot of hospital organizations around the province that we've heard from are also guesstimating at 2% being the number and also talking about sustainability of the level of service they are providing. However, given the nature of what you provide in the six hospitals, the way it has been quite well described by Mr. Balcaen, I'm interested in you expanding on the phrase used: "absolutely critical."

Mr. Wade Petranik: Given the range of services that we do provide, certainly even at 2% there are some tough choices that many of our organizations have to make in terms of being able to maintain access to all the services that we currently provide. So even though we are looking very hard for operational efficiencies and other things that we can do to be smarter and more efficient, there still comes a point in time where we have to meet our increased costs and something has got to give, whether that means that people have to wait longer for services or may have to travel to tertiary centres to access those services. Those are the kinds of choices that we're having to make.

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Mr. Peter Shurman: Between that and the fact that you just told my colleague that 50% of the beds are occupied by long-term care, what happens if that 2% doesn't show up?

Mr. Wade Petranik: Like I say, we'll have to look at a host of options in terms of where we look at finding savings. There certainly will be some operational savings that we can find. There may be some integration opportunities that we can explore with other health care providers to better provide integrated services and share resources. But we may have to look at lower-priority services.

Mr. Peter Shurman: Thank you very much, sir. That's my question.

The Vice-Chair (Mrs. Laura Albanese): Further questions? No.

Thank you very much, Mr. Petranik, for appearing before the committee via teleconference this afternoon.

Mr. Wade Petranik: Thanks very much for the opportunity. I'm sorry that people weren't up to see Dryden, because we'd love to have you up here.

The Vice-Chair (Mrs. Laura Albanese): We would have loved to be there. We were very disappointed that we didn't make it up. It will be for next time. Thank you.

CITY OF KENORA

The Vice-Chair (Mrs. Laura Albanese): Ms. Karen Brown?

Ms. Karen Brown: Hi there. Should I just go ahead and start?

The Vice-Chair (Mrs. Laura Albanese): No, no. Good afternoon, first of all. We want to welcome you to our committee. Also, I want to let you know that you will be allowed 10 minutes for your presentation. That will be followed by up to five minutes of questions from committee members. Each party goes in rotation, and this rotation will go to the NDP. I would ask you to please state your name for the record and for the purposes of our recording Hansard before you begin, and you may do so at any time.

Ms. Karen Brown: Thank you. My name is Karen Brown. I'm before you today representing the city of Kenora. We're here today, just as so many other municipalities and stakeholders from the north are, to speak about the issues being faced in northwestern Ontario and the province.

We recognize that there are so many issues facing so many different stakeholders across the province. The economic turmoil that the world has faced over the past few years has deeply affected the world in which we operate. But it's important to recognize that northwestern Ontario was deeply impacted prior to the rest of the province, largely as a result of the crisis in the forestry industry.

We have brought with us today some key issues to speak on with the province as part of your pre-budget consultation process, and over the next few minutes I'll briefly identify each issue and provide you with a recommendation from Kenora. We hope you will look at these recommendations seriously and give careful consideration to implementing them into your 2010 budget. We look forward to partnerships with the province that will help not just Kenora and northwestern Ontario municipalities but municipalities across the province.

Number one is the forestry industry. The city is very supportive of the work done by the Ontario Forest Industries Association, OFIA, and we would like to endorse their pre-budget submission. Because I only have 10 minutes, I won't read all the recommendations from the OFIA; I know you will hear them from them. But if you do have any questions for me as part of our section, I

know you have the literature in front of you, so I'm assuming that you'll have a chance to glance at that.

For Kenora in particular, it's critical that the province implement a plan that will ensure the timely flow of fibre to the local mills, specifically with regard to harvesting in the Whiskey Jack and Kenora forests. This includes making sure the required support is provided to resolve the Grassy Narrows situation, to ensure a secure and uninterrupted wood supply, based on the work done by Justice Iacobucci with the Grassy Narrows First Nation.

Our next issue to discuss is the Kenora OMPF funding and the RSCM. Kenora, in our opinion, has been unfairly penalized by the application of the rural and small community measure, or RSCM, with regard to its Ontario municipal partnership fund, or OMPF, allocation. The RSCM is a formula based on statistical information provided by Stats Canada. Most municipalities in the north are deemed too small to be statistically interesting. Unfortunately for Kenora, we are just large enough to be statistically interesting. This means that we have an RSCM applied to us of less than 100%, but all the other municipalities in the north in our district have a 100% RSCM. In fact, we are the only municipality in the Kenora district with an RSCM of less than 100%. This means that for 2010, our OMPF funding is about \$2.1 million less than what we believe it should be and what it would be if we had an RSCM of 100%. This is obviously a significant impact to a city the size of Kenora. We need the province to amend the city's RSCM to 100%, effective immediately, and preferably retroactive to 2005, when the OMPF was first implemented.

Roads, bridges and infrastructure deficit: Municipalities across the province have a significant infrastructure deficit, one of the most significant portions of which is roads and bridges. The recent Auditor General's report for 2009 noted that municipalities have responsibility for 80% of Ontario's bridges, and Ontario municipalities own more infrastructure assets than any other order of government in the province. The report goes on to say that Ontario municipalities cannot make up the infrastructure deficit alone and must have long-term sustainable and predictable infrastructure funding programs from the federal and provincial governments to support these priorities.

Just in Kenora, we estimate that our road and bridge infrastructure deficit alone is over \$5 million annually, and that's compounding annually. It's critical that a committed, ongoing infrastructure funding program for roads and bridges be established and made available to municipalities.

The next issue is twinning Highway 17. On May 15, 2009, Prime Minister Stephen Harper and Premier Dalton McGuinty announced the first stage of twinning Highway 17, commencing at the Manitoba border. Tourism will be a growth area for the north in the future, and twinning this highway will make a real difference in providing access to the north. We would like to urge the province to keep this important expansion moving forward to full completion as quickly as possible. A twinned highway

will provide us with a powerful underpinning for our future growth, but it has to happen sooner rather than later.

Drinking water quality management system, or DWQMS: The transition to a drinking water licensing program represents a major change of focus in the management of municipal drinking water systems for most municipalities. The biggest challenge presented by the DWQMS is the requirement for infrastructure maintenance, rehabilitation and renewal. The expectation is that this requirement will be maintained on a user-fee basis and the end user will bear the cost. Unfortunately, the additional burden may be more than people are willing to accept. It is critical that a committed, ongoing infrastructure funding program for water and sewer operations be established and made available to municipalities to ensure the ongoing successful implementation of the DWQMS standards.

Land ambulance funding: Costs related to land ambulances were downloaded to municipalities in 1998 as part of the local services realignment, or LSR. At that time, the province committed to revenue neutrality related to the LSR, and the community reinvestment fund, or CRF funding, was introduced to reconcile these costs and provide funding. When the CRF was replaced by the Ontario municipal partnership fund, or OMPF, in 2005, land ambulance was removed from the funding calculation. The Provincial-Municipal Fiscal and Service Delivery Review did not resolve this issue and municipalities continue to bear the costs related to this program. The land ambulance program delivery should be taken back directly by the province. At a minimum, appropriate municipal funding must be established to offset the significant and escalating cost for this program delivery.

The rent scale issue: Since 1998 and the transfer of social housing to the property tax roll, taxpayers across the province have been subsidizing Ontario Works, or OW, and Ontario disability support program, or ODSP, with social housing dollars. Under the provincial rules, tenants receiving OW or ODSP pay artificially low social housing rents, so property taxpayers end up subsidizing social assistance dollars with 100% social housing dollars, resulting in the province saving between 80% to 90% of related costs. This is known as the rent scale issue. For example, for a family of three living with a market rent of \$900 per month, an additional \$600 is paid for through the property tax roll if they reside in social housing as opposed to a private residence. The province should immediately raise the OW and ODSP rent scales for all social housing tenants to the maximum shelter amounts for private housing tenants.

The municipal levy for the homes for the aged: Homes for the aged in the north do not currently receive adequate funding related to townships without municipal organization, also known as TWOMO or the unorganized area. In comparison, district services boards and health units currently receive this funding. In 2009, the Kenora District Services Board's amended budget indicates that it will receive 45.2% of its funding from TWOMO. The

total 2009 municipal levy from the district home is \$3.35 million. Based on this, it is estimated that the TWOMO share for 2009 would represent just over \$1.5 million in funding from the province, monies that are currently paid for through property tax dollars. The funding formula for district homes needs to be amended to adequately reflect TWOMO funding.

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I'd like to thank you for listening to me today. I'd also like to thank you for not beeping me if I got over 10 minutes; hopefully I didn't.

The Vice-Chair (Mrs. Laura Albanese): No, you didn't.

Ms. Karen Brown: Good. I'd like to say: Welcome to the north. Only in the north can you try to get into Dryden and end up in North Bay. I was very happy you ended up in North Bay because I couldn't get into Dryden either; the highway was closed between Dryden and Kenora. So, welcome to the north and to part of our weather-related wonderful winter.

The Vice-Chair (Mrs. Laura Albanese): Thank you, Ms. Brown. It is a pleasure to be as north as we could get.

Ms. Karen Brown: Absolutely. I understand.

The Vice-Chair (Mrs. Laura Albanese): I will now turn it over to Mr. Prue for questions.

Mr. Michael Prue: Thank you. It's Michael Prue; I'm the member from Beaches–East York. Just some questions here: You were saying that Kenora is statistically interesting. What is the number or population that makes you statistically interesting?

Ms. Karen Brown: It's 10,000.

Mr. Michael Prue: So Kenora has more than 10,000 people?

Ms. Karen Brown: Yes. We have 15,177 as per the recent census, the 2006 census.

Mr. Michael Prue: Okay, that would be Kenora and district, not just Kenora.

Ms. Karen Brown: That's Kenora.

Mr. Michael Prue: Okay.

Ms. Karen Brown: Population counts vary, right? If you look at the census, Kenora has 15,000 people, but if you look at other population sources, like how we get charged our per capita from the health unit, it's a different number. But it is over 10,000.

Mr. Michael Prue: Okay. So one of the easiest things to do would be simply to change that magic number from 10,000 to 20,000.

Ms. Karen Brown: You have my vote.

Here's the problem with that number, though: We actually had talked to the province about doing that, and what they said is that it's Stats Canada that determines that number, not the province itself. What we wanted was the recognition that we're still pretty small, we're in the north and we've been impacted, but the province was very clear that it's Stats Canada that sets the number. But if you can get them to change that to 20,000, then honestly you have my vote and I will lobby for you.

Mr. Michael Prue: Because that will help a lot of small, rural and northern communities.

Ms. Karen Brown: Absolutely.

Mr. Michael Prue: The second one was the land ambulance funding. You are requesting that it be taken back directly by the province, or at a minimum, that provincial funding must be established to offset the significant and escalating costs for this program delivery. What is it costing Kenora for land ambulance at this point?

Ms. Karen Brown: It's about \$800,000 this year. I can pull up the exact number if you want, but the amended budget was about \$800,000 for our annual levy just for Kenora itself.

Mr. Michael Prue: All right. So it seems to me that this should be something that is borne by the province. Okay, we'll try to put something together for that, but failing that, you would accept the money and continue on with it?

Ms. Karen Brown: Absolutely. We would take it either way.

Mr. Michael Prue: Okay. The next is a problem we've heard from some municipalities before: that the province should immediately raise OW and ODSP rent scales. How much is this costing Kenora in terms of the social housing that you're having to pay?

Ms. Karen Brown: I understand that the costs for the district are between \$3.5 million to \$4 million over the last 10 years, but I don't know Kenora's exact percentage share of that annually. If you looked at 10 years, \$400,000 a year, Kenora's share would be about 20%, so say \$80,000.

The thing is, though, that the issue is going to compound as these services are uploaded by the province. For example, in 2009 ODSP was 80% paid by the province. This year it's 90%, next year it's 100% and then we have the Ontario Works phased in. So these differential amounts are only going to escalate as social housing continues to sponsor the program while the province is paying 100% of these programs.

Mr. Michael Prue: I want to understand this: What you're saying is, as the province uploads, it is costing Kenora more money?

Ms. Karen Brown: Sorry; let me clarify that. It won't cost us more money. There are more savings that should be occurring as the province uploads that we're continuing to pay 100% for through social housing dollars. Is that—

Mr. Michael Prue: So in effect, the upload is not causing Kenora to save some money?

Ms. Karen Brown: There are definitely savings being achieved on those services as a result of the upload. It will not save us money with regard to the rent scale issue.

Mr. Michael Prue: Okay. We have heard from the forest industries. We had four: AbitibiBowater, the Ontario Forest Industries Association, Domtar and a presentation this morning from—

Ms. Karen Brown: Jamie Lim?

Mr. Michael Prue: No, Jamie Lim was this afternoon—from the Working Forest Newspaper. They all

pretty much said the same thing about the forestry rates, the access, electricity, the use of wood, biomass fuels—

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

Mr. Michael Prue: Is there anything you would like to add to that?

Ms. Karen Brown: No, other than the very Kenora-specific. We're very supportive of the work done by the OFIA and we support their recommendations, but also, in the Kenora area, we have a specific issue with regards to our Kenora and Whiskey Jack, most particularly the Whiskey Jack Forest. We need those issues resolved and we need the support from the province to make sure those issues do get resolved so we have ongoing, sustainable fibre to our mill.

Mr. Michael Prue: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you, Ms. Brown, for your intervention.

Ms. Karen Brown: Thank you very much for listening to me today. Take care.

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

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): Now we would like to welcome the Northwestern Ontario Municipal Association. We should be connected, via teleconference, with Mr. Power.

Mr. Michael Power: You are indeed.

The Vice-Chair (Mrs. Laura Albanese): Good afternoon, Mr. Power.

Mr. Michael Power: Good afternoon.

The Vice-Chair (Mrs. Laura Albanese): You'll have 10 minutes for your presentation. That will be followed with five minutes of questioning. Each party is going in rotation. This rotation will go to the government side. If you could please state your name for the record, for the purposes of our Hansard recording, we would appreciate that, and after that you may begin.

Mr. Michael Power: Well, that comes right off the top: My name is Michael Power, and I am the mayor of the municipality of Greenstone and the past president of the Northwestern Ontario Municipal Association. It's a pleasure to join you this afternoon. I would have preferred to join you yesterday morning in Dryden, but northern weather doesn't always do what we want.

Our time today, members of the committee—and I regret I can't see you face to face—does not allow us to present all of the issues that bedevil northwestern Ontario, so we've chosen to focus on several key items, but please do not think these are the only issues facing us.

We are well aware that the province of Ontario is facing difficult economic times. The municipal order of government is also facing extremely challenging times.

Before I go on, can everybody hear me clearly?

The Vice-Chair (Mrs. Laura Albanese): Yes, we can. We also hear the sirens in the background.

Mr. Michael Power: That I can't control.

It has been referenced that almost 48% of the workforce in northwestern Ontario is out of work, and in some of our communities, such as mine, that translates into 60% unemployment. Many northern communities are single-industry towns, and we have been facing the effects of the recession for almost five years now. This means that the mills are closed and, in some cases, demolished, leading to a total lack of industrial assessment. When you combine that with the lack of jobs, you can easily translate that into declining tax revenues. This makes it exceedingly difficult to maintain the services that people need and want.

We have also seen, and continue to see, the dislocation that comes with one member of the family moving away to find work; that's disrupting the family unit. We say this because we at the municipal order of government are always nervous that you will decide to give us more responsibility without the corresponding revenue stream. We say to you, "Please do not try to balance the provincial books on the backs of municipalities."

We appreciated the outcome of the provincial-municipal finance review negotiations. We encourage the government to get on with the Ontario municipal partnership fund negotiations, as was promised at that time. In the interim, it is vital that the current OMPF and the mitigation fund remain in place for northern municipalities, and we again ask for an increase in the northern per household grant of \$75 above what it currently is.

We look forward to the increase in the northern Ontario heritage fund budget to \$90 million in the 2010-11 provincial budget. This is extremely important to us, and any reduction in this commitment would have a significant impact.

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We do not intend to deal with the HST. You are well aware of the views of the citizens of Ontario. We would ask again, however, that you look at the impact on northern Ontario that was never intended, especially as it will affect the cost of home heating in our usually long and cold winters.

A very important issue for all of northern Ontario is the Grow North plan. As you know, the draft plan has been released and consultations are being conducted to collect feedback that will be included in the final plan. We are pleased that the north is being made a priority for the Places to Grow process, and we are currently finalizing the NOMA submission. What is vital is to ensure that funding is in place immediately to implement the action items that will be contained in the Grow North plan. We cannot afford to put the Grow North plan on the shelf while we wait for money to get started. Budget 2010 must contain sufficient funds to continue to move the Grow North plan forward.

An important part of the Grow North plan relates to energy. When the original integrated power system plan was presented, there was virtually no mention of the northwest. NOMA, Atikokan and the city of Thunder Bay intervened before the OEB and caught the attention

of the OPA, Hydro One Networks and the Ontario government. Then-Minister Smitherman recognized our concerns and asked Hydro One Networks to come up with a plan for the upgrading and linking of transmission facilities in the northwest. NOMA is generally supportive of the plan and has detailed our position in a resolution that is attached, as well as a map showing the options. I believe, members of the committee, you have our full submission and you have seen the attached resolution. We raise this with you as this project requires significant financing.

As noted in the Grow North plan draft, the province, working with the Ontario Power Authority and Hydro One, will invest substantially to upgrade the transmission network and increase capacity for the development of renewable energy projects across northern Ontario. Some \$2.3 billion in province-wide investment is already committed over the next three years, nearly half of which will be spent on projects which are in northern Ontario, and we applaud that. It is essential that these upgrades be treated as a package, not just a one-off for short-term gain. It is also important to note that these upgrades, particularly those in the western part of the region, will facilitate transmission capacity sufficient to connect many First Nations to the grid.

The 2009 Ontario budget provided \$32.5 billion in infrastructure stimulus funding over two years. This funding was greeted with excitement by municipalities across the province. However, due to one-third contribution requirements and shortened construction time frames, some municipalities that were approved for funding have been unable to proceed with their proposed projects. It is vital that these funds continue to be used for their original intent of infrastructure renewal, not returned to the government coffers. Many northwestern Ontario municipalities continue to have shovel-ready projects that should be considered to ensure the best use of any remaining infrastructure stimulus funds.

In addition, we would like to echo the concerns of the Federation of Canadian Municipalities relating to the time limit for completion of ISF projects. Despite best intentions, the majority of projects that were approved were not finalized until July 2009, and as such, valuable construction time was lost due to no fault of the municipalities. We therefore strongly recommend that the time frame for project completion be extended to October 31, 2011. This will ensure that all projects have two full construction seasons, as promised when the infrastructure stimulus fund program was announced.

Forestry and the forest sector industry continue to be an important issue in northwestern Ontario. We are heartened to see that the new Ministry of Northern Development, Mines and Forestry appears to be willing to look at this whole area with new eyes and new thoughts. We do have to ensure that the allowable harvest is protected for the future. The fact that we are not currently harvesting the total allowable cut should not have the provincial government thinking it is not needed. When we change the forest industry from its historical

basis to the new forest economy, this total allowable cut will be needed. Reducing the allowable cut will then be seen to have been short-sighted and detrimental to the sector and the economies of the province of Ontario and northwestern Ontario.

A new forest tenure system is vital. A system that takes into account the interests of communities, First Nations, contractors, tourism operators and environmental groups will go a long way to creating a viable and sustainable industry going forward. This commitment by the Ontario government requires resources, and the 2010-11 budget needs to ensure that financial resources are in place to achieve this very desirable goal.

Non-emergent patient transport concerns have become increasingly frustrated and expensive for our members in the northwest. Municipalities are currently directing and funding emergency medical services to provide emergency service that aligns with police and fire service. At this time, in northwestern Ontario, EMS provides two types of patient calls: emergency and non-emergency. In both cases, patients are transported by paramedics using an ambulance. EMS is designed, mandated and funded to provide emergency assessment treatment and transportation systems or services.

However, for those of us outside the city of Thunder Bay, there is no alternative transportation service to provide non-emergent transportation. An example of non-emergent transportation would include transferring a patient who is in no immediate distress but needs expanded treatment from the hospital in Marathon to Thunder Bay Regional Health Sciences Centre, a three-hour trip one way, sometimes longer, depending on the weather.

The Vice-Chair (Mrs. Laura Albanese): You have about 25 seconds left for your presentation.

Mr. Michael Power: You see in there we have a suggestion as to what you do in southern Ontario in terms of non-emergent transfers. We ask that you look at this and see how we can put this in place in northwestern Ontario. This will be a continuing issue to us. A separate infrastructure system is what we need to do. We offer our knowledge and assistance to you to build a viable solution for the betterment and health of all concerned.

On behalf of the organized municipalities in northwestern Ontario, I want to thank you for taking the time to hear some of our concerns today. I look forward to a fruitful question-and-answer session.

The Vice-Chair (Mrs. Laura Albanese): Thank you, Mr. Power. I will now turn it over to Mr. Sousa for questions.

Mr. Charles Sousa: Thank you, Madam Chair. Your Worship, it's nice talking to you again. It's Charles Sousa. We met yesterday.

Mr. Michael Power: Yes, Charles. I remember you very vividly.

Mr. Charles Sousa: I do apologize on behalf of the committee for all of us not being able to have been there in Dryden, but I appreciate your understanding and your submission. Can you tell me a little bit about Green-

stone? We just had a submission from Karen Brown, representing the city of Kenora. Tell us a little bit about the representation for the northwest.

Mr. Michael Power: In northwestern Ontario, NO-MA represents every municipality. But, Charles, if you look at a map of northern Ontario, especially the map in the Minister of Municipal Affairs and Housing's office, you will see Greenstone outlined; it looks like a large machine gun that is aimed at the east. We tend to bring our points forcefully and clearly from that municipality, but today I speak on behalf of every municipality. The needs that we have in Greenstone are similar to the needs of all, but Greenstone is a unique municipality that extends 120 miles east and west, 100 miles north and south, with four large urban areas and about 5,000 people. So you can understand some of the challenges in governance.

Mr. Charles Sousa: It is a huge challenge, and it's a big geography, and I appreciate the work you're doing. I gather from your submission that there are a number of topics of concern, one being energy and the issue of transmission and the other being infrastructure spending and the continuation of that ability. You talked about forestry—a number of deputants have also spoken about that—and emergency medical services. In regard to the energy and transmission, the key, from what I gather from your presentation, is the ability to create jobs and enable some form of stimulus for the north.

Talk about the transmission and some of the work that's been done thus far.

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Mr. Michael Power: I did. You know, we have a wonderful opportunity in northwestern Ontario and all of Ontario, and that's the Ring of Fire. I'm sure that all members of the committee have some knowledge of it. If you don't, I really encourage you to ask your staff to get the materials. This is probably a once-in-a-lifetime opportunity for a province such as Ontario to see large-scale development with massive investment by large corporations, resulting in thousands of jobs. I'm not saying this lightly, because you're looking at a 150-year mine that is located north of the municipality of Greenstone which will benefit everybody in the area, including the city, and provide services to that area.

One of the issues is energy. The energy requirements for an arc furnace are not there. The companies have made that plain to me. They'll be making it plain to you, I'm sure, in their submissions leading up to it because we have about a five- to seven-year window here before the mine actually comes on stream. They're very nervous about the cost of energy in Ontario, and they've made it very plain that it would be cheaper for them to rail the ore from the mine site down to the main line and then take it to Manitoba or Quebec to be refined.

I've been very bold and said, "If you think any government of Ontario will allow you to move the ore out of the province without some benefit coming to the people from where the ore is removed, you have another thought coming." It's an issue that the government is going to

have to grapple with, Charles, and deal with, the idea of a differential energy rate: one for industry, that encourages industry, as is done in many other parts of the world, and one for residences. If you have a job, then you can afford to pay your bills and you can afford to pay a little more for hydro. That may not be politically palatable for a lot of us, but it is a fact, and it's something they've come to grips with in other parts of the world.

It's something that is going to be very much on your plate as legislators as the years come ahead and in the very near future, as companies try to make their decisions.

Mr. Charles Sousa: Mr. Power, we've run out of time. I know the Ring of Fire; it was a discussion that we had yesterday. It's also in your backup appendix. Again, I appreciate your time, and all the best to you.

Mr. Michael Power: Thank you, and I just indicate to you, Charles: Energy is also a big issue for the forest industry. But thank you for the time of the committee. I appreciate it.

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

NEW STARTS FOR WOMEN

The Vice-Chair (Mrs. Laura Albanese): Now we welcome Ms. Kathy Campbell from New Starts for Women via teleconference. Ms. Campbell?

Ms. Kathy Campbell: Yes.

The Vice-Chair (Mrs. Laura Albanese): We also want to thank you for agreeing to anticipate the time of your presentation this afternoon. Thank you very much for that. You are about to start your presentation; you will be allowed 10 minutes to do that. That will be followed by five minutes of questions from committee members. The questioning goes in five-minute segments, with each party going in rotation, and this round will go to the official opposition. If you could identify yourself, state your name for our records, and after that you may begin.

Ms. Kathy Campbell: Okay. My name is Kathy Campbell. I'm the executive director of New Starts for Women shelter up in Red Lake, Ontario. I was hoping that you would be in Dryden so you'd understand the distance, but I was 215 kilometres north of Dryden.

Our shelter is a member of the Ontario Association of Interval and Transition Houses, of which I am a north-western region board member. I'm also a very active member of the social justice and action committee and the anti-racist and anti-oppression committee. I'm a former member of the domestic violence advisory council. I am also secretary of the Red Lake non-profit housing board. I sit on numerous committees in our community as a representative of the only women-centred organization and the voice, often, of women who are victims and survivors of violence. I'm also on numerous working provincial advisory committees representing the northern voice.

I truly believe it's every woman's and child's human right to have freedom from all forms of violence. There is

much that needs to be done to reach the goal of protecting this right for women and children in Ontario and especially in northern Ontario. I would like to specifically address the violence-against-women issues and how support is needed to eliminate violence against women.

I'm not going to dazzle you with a bunch of statistics because I'm not good at it and I'm sure you've been hearing that for the last month. Rather, I'm going to discuss a little bit of the personal aspect of poverty—the lack of housing, child care and training, medical addressing the needs of aboriginal and marginalized women—and how these are issues of violence against women that we must address in order to eliminate violence against women, period.

On December 6, 2009, we marked the 20th anniversary of the massacre of 14 young women at Montreal's École Polytechnique, a date that now marks the National Day of Remembrance and Action on Violence Against Women in Canada. Since then, 486 women and children have been murdered in Ontario alone as a direct result of violence by an intimate partner. Having said that, we marked this sad anniversary—the women's anti-violence community, specifically OAITH, asked all Ontario MPPs to make a personal commitment to work with women toward an end to violence against women. All three current parties made the commitment to include the voices of survivors of women abuse and the leadership of women's advocates in developing further action and direction in Ontario for ending violence against women. They also committed to creating an overall action plan to end violence against women in Ontario from a framework that includes action on the marginalization of women based on race, culture, economic status, age, ability, language, immigration status and regional location.

There has been progress on the shared goal of responding to women and children affected by violence. The current government has begun restoring the 1995 funding cuts from women's shelters and second-stage programs—for the commitment to developing a province-wide sexual violence action plan, the promise to move forward on a strategy framework to end violence against aboriginal women, and actions to promote survivor involvement in service coordination. Among other initiatives, the formation of an advisory council that provided the Transforming Our Communities document, a report to the minister responsible for women's issues, which identifies 45 recommendations intended to move forward the Ontario government's public policy direction to end violence against women—which I was a member of.

Poverty and housing issues need to be addressed immediately to keep women and children from dying at the hands of their abusers and to give hope to those women who have succeeded in escaping the abuse so that they and their children can have a life free of violence. Adhering to the recommendations of the Domestic Violence

Death Review Committee, particularly the May/Iles and the Hadley inquests, must be committed to.

The national transition home survey from 2007-08 identified that there were 30,671 admissions of women and children into Ontario women's shelters in the fiscal year, representing almost one third of the women and children who stayed in shelters in Canada during the same time period. Many of these women and children, when leaving the shelter, faced the uncertainty of where they would go due to a lack of accessible, safe, affordable housing. Even though they did not want to return to the abusive partner, they often did not have a choice.

New Starts for Women women's shelter, during the same time period alone, provided shelter to 313 women and 196 children. New Starts for Women is a shelter for abused women and children in Red Lake and is also a secondary service centre for remote First Nations communities.

Red Lake, which is located 175 kilometres north of the TransCanada via a secondary highway, is 555 kilometres northwest of the largest service centre of Thunder Bay. There are no roads leading to the northern communities we provide service to, except for unpredictable winter ice roads that deliver supplies to these communities.

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The majority of communities at New Starts for Women services do not have adequate services to address the diverse needs of abused women and their children. This is illustrated in the demand that is placed upon us as a shelter to provide a full range of services for women. Poverty; lack of housing, child care and training; medical; and addressing the needs of aboriginal, marginalized women are issues of violence against women that New Starts for Women must address daily. Until these issues are addressed, women will continue to die.

The number of women accessing the shelter remains relatively constant. Since 1995, an average of 274 women and children have accessed the services of the shelter. The number is not accurate because women may access the service more than once during the year, and we're not entitled to account for that.

Over the time frame of April 1, 2005, to March 31, 2007, 471 women and 543 children have accessed the shelter. In the past two years, April 1, 2007, to March 31, 2009, New Starts for Women has provided service to 535 women and 469 children—quite an increase. Staff have also provided support to women who accessed the crisis line via 2,893 calls in this two-year period.

Many women do not access the shelter due to the uncertainty of obtaining safe, affordable housing in Red Lake. Access to housing, lack of subsidized housing, waiting time and inadequacy of shelter allowances are the most common barriers to women accessing safe, affordable housing.

Other barriers, especially in rural or northern communities such as Red Lake: Subsidized housing may not be located close to the services that these women may need to address the violence in their lives. Often they live

in poverty and are unable to afford public housing, which is in great demand due to the mining boom in this community.

Also, since Red Lake is a secondary service centre for remote First Nations communities, some women's safety is compromised by housing that is too close to municipal activity where partners may easily find them—the availability of housing where they can stay safe while deciding on choices that meet their needs of both shelter and safety. There are links between poverty, inequality and violence as a determinant of housing access for women and children leaving abusive situations. Women are in danger if they are unable to procure safe, affordable housing in a timely way. Women have died as a result. Women who are already facing poverty and unbearable levels of insecurity and stress should not have to settle for substandard and unsafe housing to escape from violence.

Unhealthy, unsafe housing also exposes women and children to the risk of child welfare involvement. This same threat is there for women who are forced to return to the abusive partner. Apprehension of children by child welfare, high costs of hydro, utilities and the cost of food, which are not adequately recognized by income security programs, exacerbated by the low wages women often earn, are the top reasons why women lose the housing they struggle so hard to get.

The Vice-Chair (Mrs. Laura Albanese): Ms. Campbell, you have about 15 seconds left in your presentation. Time has flowed by.

Ms. Kathy Campbell: Oh, my goodness. I've talked that long. Okay. Well, I think there are a few issues that I need to ensure that you're aware of. I'm hoping that monies are put aside to provide safe, affordable housing across Ontario but especially in the northern regions, where supportive transitional housing is probably the most appropriate for our area.

The Vice-Chair (Mrs. Laura Albanese): Thank you for that. I will now turn it over Mr. Shurman for questioning.

Mr. Peter Shurman: Good afternoon, Ms. Campbell. I'm sorry we couldn't meet you personally up in Dryden, but maybe next time. Thank you for a great presentation. If there's anything you would like to add right now, I'd be happy to relinquish whatever time you need to do that.

Ms. Kathy Campbell: I think what I really want to address is the fact of the type of women we deal with in the north. Many of them come from very substandard housing, with limited skills. It's very important for them to have that opportunity, once they leave an abusive situation and come to shelter, to have kind of an intermediate time that they can learn some skills to allow them to live independently. Providing monies for that second-stage housing is an important avenue that the government must look at.

Mr. Peter Shurman: Okay. You did mention that you have an average of 274 accesses to the shelter but that there were repeats amongst that. I imagine that's because of the fact that even if the adjustment is made to making

the break and living in the shelter, after the shelter the problems that you describe persist because of no place to go.

Ms. Kathy Campbell: That's absolutely correct. Many of the women who come through shelter have been here 13, 14, 15 times. Due to being unable to find secure housing, they return to their communities, ultimately to their abusive partners, and the cycle continues. Each time they come and go, they're sent back with a little bit more knowledge, and they don't wait so long. The assaults against them may not be as severe as they were.

Mr. Peter Shurman: The relationship between women's issues, children's issues and violence and so forth, no matter where it happens—north, south or not even in Canada—always comes down to a couple of things, as you've told us and as I know, particularly household incomes, lack of job, that kind of domestic condition. But I imagine, without sounding naive about it—I don't live in the north and I don't have that much exposure to the north—that it's aggravated by the conditions that you've described: the far-flung distances that have to be travelled to do almost anything.

Ms. Kathy Campbell: Those are big contributing factors. The fact that a woman's access to safety—we have to fly them in and out most of the time and there are not always flights available. So oftentimes when we do safety planning with children, their safety plan is hiding under the porch until they can get the plane. That's one of the issues; the fact that there aren't as many services available—the poverty, the isolation, the living conditions. Yes, the north is—the violence against women and safety are big issues everywhere, but when you are faced with the accessibility inequity part of it, that becomes a real additional challenge.

The Vice-Chair (Mrs. Laura Albanese): Now I pass it to Mr. Barrett, who has an additional question for you.

Mr. Toby Barrett: Hello, Kathy. Yes, we were hoping to be in Dryden. I thought a bit of a trip for this committee up to Red Lake might be in order next time.

For a number of years in the Red Lake area, there was a fairly significant presence as far as alcohol and addictions treatment and counselling. I used to work in the field; I'm a little out of touch. You didn't mention that area. What kind of facilities do you have there now with respect to the use of alcohol and other drugs?

Ms. Kathy Campbell: We probably have the same amount of facilities as we had when you may have been working up here, which is none.

Laughter.

Ms. Kathy Campbell: Did I sound a little—anyway, the issue of homelessness and addiction is great. Oftentimes the women we work with, even if they are successful in getting housing with the local housing authority, end up losing children for a variety of reasons and may end on the street, and addictions and poverty and homelessness take over for them. Once again, then we have another set of issues. Addiction is a big issue up here in the north, for sure.

Mr. Toby Barrett: So Kenora would be the closest detox, would it? It's a long way to drive if you've been drinking.

Ms. Kathy Campbell: That's the closest detox centre, which is basically three hours away from Red Lake. But oftentimes, by the time women get in a vehicle and we get them to detox, they're too sober for detox.

Mr. Toby Barrett: Okay. Thank you, Kathy.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your intervention at the committee this afternoon.

Ms. Kathy Campbell: All right. Thank you. Good-bye.

The Vice-Chair (Mrs. Laura Albanese): We'll have to take a short recess now.

The committee recessed from 1500 to 1515.

CITY OF DRYDEN

The Vice-Chair (Mrs. Laura Albanese): And now we want to welcome our next presenter, the mayor of the city of Dryden, Your Worship Anne Krassilowsky.

Ms. Anne Krassilowsky: You got it right.

The Vice-Chair (Mrs. Laura Albanese): Good afternoon.

Ms. Anne Krassilowsky: Good afternoon, and thank you.

The Vice-Chair (Mrs. Laura Albanese): Now, we wish we could be there in Dryden to see this unique city of Ontario's north, but unfortunately we never made it up there, so we'll have to speak via teleconference. But we want to express, on behalf of all of the committee, the fact that we really wanted to be there in person.

Your Worship, you will have 10 minutes for your presentation. That will be followed by five minutes of questioning. If you could please state your name for the record, and then you may begin.

Ms. Anne Krassilowsky: Mayor Anne Krassilowsky from the city of Dryden. I'm actually here in Toronto at an AMO executive meeting, but I appreciate Ms. Albanese and the members of the all-party committee taking the time and consideration for us to present. I know that some of you were able to land in the city of Dryden, and of course for all of us who travel by air there, Bearskin Airlines will always get you there, so we are sad that you were not able to see our community, to be able to hear firsthand the unique challenges and opportunities that we do have in the north. Our door is always open. You're always welcome back.

Certainly, the opportunity to present today is valuable to us. I know there's a short time and I know we're going to emphasize the five priority issues for us in the north. Can I ask if you have a copy of the presentation?

The Vice-Chair (Mrs. Laura Albanese): Yes, we do. All the committee members have one.

Ms. Anne Krassilowsky: Thank you so much.

Our issues are in no particular order, as you have recognized, but we hope there will be recognition that adequate financial support will be given to northern

municipalities. I know that Dryden is facing some very unique challenges, as I know a lot of the other communities are.

We have been, of course, particularly hard-hit by the transition in the forestry sector. Our economic diversification in the north is slower. We know and hope that the northern growth plan is going to understand and help to equalize a competitive nature for northwestern Ontario, and certainly for Dryden. You know that over many years, six years probably, we have lost 1,000 direct jobs and most probably an unparalleled number of indirect jobs, people and services. For our community, this has been a devastating experience, something we have not experienced in the past.

I think one of the specific issues of concern is the OMPF funding and the mitigation funding. It is of the utmost importance, not only to our community but across the north. The impact has been so negative in the last economy, I can't tell you how important that mitigation funding is. I know that it was reduced for this year on the whole, so I'm certainly hoping that this government and the committee will recognize the importance of OMPF funding and mitigation funding.

We will join the other communities, as well as our municipalities, in seeing a huge increase in our debt load as we move forward with the infrastructure stimulus funding and also with economic development across Dryden. The OMPF needs to be funded adequately and retain its enhanced support for northern and rural municipalities. Again, as we face, develop and react to the northern economic challenges, we also want to respond in a positive manner. We're hoping that we've emphasized that enough.

We also need to have that funding in place for the northern growth plan, and I'm hoping that will be recognized in the 2010 budget. That will help us to create jobs in northwestern Ontario. It will also recognize the potential of northwestern Ontario by the investment of government in establishing an equal opportunity for competitive attraction for northwestern Ontario.

We know that transportation, health and all of the issues that we face are a huge challenge in attracting new investment, and we certainly hope that that will be recognized in the northern growth plan.

We find ourselves in Dryden in the unique position of asking for a special assistance grant. It's not something that we're proud of, but we have worked hard in driving for a better economic circumstance for our community. We have in place the potential to grow an economic development reaction for Dryden that will return a revenue to our economy and to the city that will help our budget. So, we have passed a resolution to apply for a special assistance grant, as we're unable to balance our budget at this point in time. We are looking at probably a 19% to 20% increase. We look back at the average of the tax increases over the last four to five years; it's 26%, which averages out to a 4.4% increase across the board. How we're going to pass along a 19% to 20% increase is not even feasible. We are going to have to slash and burn

at every corner, and that's going to have an even more negative impact as we look to become more viable in the face of what we have structured to do.

SAG is intended, I think, to help struggling communities, and it's going to be of particular value to single-industry, resource-based communities who have lost their industry. While our mill is still producing pulp, it has certainly downsized and it has been absolutely successful in lowering its assessment by 40%. We have challenged this. We have taken all the intervention we can, but they're going to be successful. That translates into an approximately \$1.5-million shortfall for 2010, and it will continue through 2011 to 2013.

1520

We're up to the challenge, as I said. We have taken economic development absolutely positively. We have built the Dryden Development Corp. We have been successful in initiating projects that we can and will proceed with. It will mean that we will go into further debt, as far as the city goes. We're well within our debt budget, but we will be definitely increasing that, and I think you will see that across many municipalities.

It is going to be a challenge, as we've said, and we are hoping that our application to SAG is going to be successful. Without SAG, of course, I've already mentioned what will happen. We have to have it. I'm hoping that we will find support with that around the table. You know that other communities are going to be faced with the same thing. I know it's a big ask, but I think it's important to keep our communities alive and able to proceed with all that we have planned.

In child care, we know that we talked about Best Start when it was first initiated. We knew that there was no further funding structure. We debated whether we would or would not support Best Start. We decided that, yes, we would, but council did say that we would not support it once the funding ran out.

We know that our children need all the help they can get. At present, we operate five licensed programs, four out of schools, and we serve about 650 children. We've certainly provided an example of good operation in the fact that we have been recognized for best practices. Our child care delivery is in transition and we absolutely collaborate between operators in the schools. That has taken place, it continues to be there and we're even striving for a better function.

Ontario's Best Start strategy has been a success, as we've said, because it is a seamless system of care. We know that KDSB is administering the program with the city. We know that the system is supported with well-trained staff and the stability of funding through the KDSB, but those are municipal and government dollars. We don't want to see it disappear. We're hoping for some assistance there. I don't think the province wants to see it disappear. I know that they're in support of child care. We're hoping that the provincial budget will ensure and maintain existing levels of funding.

I think the rest is pretty easily read and, in view of time, I'll move on.

As you know, we got an extra bill last year. We know that we are going to have to find even more funding in our budget for the KDSB. There are a number of issues there, but we will have to go into them with the ministers at OGRA/ROMA.

The connecting link funding—I can move to there. You know how the connecting link funding works. The city of Dryden has not seen connecting link funding for some time. In Dryden, Duke Street, which is one of our main corridors, connects Highway 17 and Highway 594 and remains a connecting link, as does Highway 17, through the city. Our last connecting link allocation was in 2007 and that was a project overrun from 2006. In 2006, the bridge conditions survey recommended a \$2-million-plus rehabilitation to the Duke Street bridge, which crosses over the CPR rail lines.

We have not been able to access connecting link funding, as I have mentioned. I think that's a priority for us not only in Dryden but across northwest Ontario.

The Vice-Chair (Mrs. Laura Albanese): You may want to move to your conclusion, as the time has almost expired.

Ms. Anne Krassilowsky: Okay. So we're hoping to find support there.

NOHFC funding, I know, with FedNor, means a great deal to northern municipalities and especially to Dryden. We have accessed funding over the years and we certainly want to see it move to \$90 million in 2011, as was in the plan.

I guess I can hope, again, that if you're ever in Dryden, you will come back and see us. We hope that we are going to see the northern growth plan assist northwestern Ontario as we move forward. I thank you for your time.

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

Mr. Michael Prue: Hello, it's Michael Prue. I'm the member from Beaches—East York in Toronto.

I had an opportunity to listen to you and see some of the things you've written here. Can you tell me what the unemployment rate is like in Dryden?

Ms. Anne Krassilowsky: It's actually high. But what happens is that because of the quality of life we have—and I mean that seriously—a lot of our families have members commuting to Saskatchewan and Alberta for jobs, but they maintain their homes in Dryden. We are seeing that kind of erode as we move into the sixth year.

Mr. Michael Prue: I was in Dryden last winter, and I did talk to some people who actually had their family members commuting. I remember that.

In terms of job losses, how many jobs have been lost in the community in the last five or six years?

Ms. Anne Krassilowsky: We saw a job loss of 1,000 direct from the mill, and that included the logging operation. Of course, most of the logging operations, most of the private contractor investment in equipment, has been negated. There's just nothing there. So now you take the indirect loss of people and service—it has a cumulative effect, and it's been devastating for our community.

Mr. Michael Prue: I can imagine. Has there been any loss in the population of Dryden?

Ms. Anne Krassilowsky: Yes. I think we've seen the population go down. We don't have the exact figures. Even MPAC—if you're not home, you'd be counted differently, so I can't honestly tell you what the reduction is in actual numbers. Our community is really soundly supported by our volunteers, and we're even seeing that being decimated as we move forward. They're just leaving. Their families are going. It's a loss of professional jobs. It's an unbelievable equation for our community.

Mr. Michael Prue: I did read in your report the whole thing about child care funding and the terrific job you do, notwithstanding all the other difficulties, in looking after children. The money is about to run out. Will the all-day kindergarten program that's been announced by the government have any effect on this?

Ms. Anne Krassilowsky: Take the child resource centre: I think we're going to see that even younger children will be there—and that's infants—versus what was taken on as a responsibility to education. We've always been crowded, if you will. We've tried to provide the service to as many children as possible. We're going to see where we have as much child care support as we can have, so that those people who do have a job can actually keep those jobs.

Mr. Michael Prue: You are anticipating, then, that the all-day kindergarten will take the four- and five-year-olds out and then you'll have, I guess, babies to toddlers going there. They tend to require a lot more supervision and work.

Ms. Anne Krassilowsky: The infant and toddler program, of course, is going to be established even more so than it is. But it is also going to require more funding because the relationship between toddler and caregiver is much narrower. They have to be there with the kids. Babies and toddlers need much more supervision and care.

Mr. Michael Prue: You write in your report that, "For 2009, we have received only \$6,500 as a stabilization payment as that is all they have left." Is anybody else funding the program other than the Ontario government?

Ms. Anne Krassilowsky: Not to my knowledge. Municipal and KDSB—I mean, we all contribute, right?

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

Mr. Michael Prue: I think those would be my questions. Thank you very much.

Ms. Anne Krassilowsky: Thank you for your attention. Thank you for visiting our community.

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

COMMON VOICE NORTHWEST

The Vice-Chair (Mrs. Laura Albanese): We now welcome our last presenter of the day: Mr. George Macey, chair of Common Voice Northwest. Good afternoon.

1530

Mr. George Macey: Thank you, Madam Chairperson. Thank you for this opportunity, and thank you for waiting for me. I had some troubles.

The Vice-Chair (Mrs. Laura Albanese): No problem. Mr. Macey, you will have 10 minutes for your presentation.

Mr. George Macey: Okay, fine. Just give me a little warning near the end.

First, let me briefly describe who Common Voice Northwest is. Our role is to identify, promote and development economic opportunities in and for northwestern Ontario. We also enter into dialogue with all residents and interest groups in the region to determine those projects that should be undertaken as a priority. We are made up of the leadership of the region: municipal, business, labour, post-secondary education, school boards, training boards and the multicultural and immigration community.

We wish to raise a number of issues with you this afternoon. Many of these will be reflected in our response to the Grow North plan, which we will be shortly submitting to the two co-chairs.

Northern Ontario is a vast storehouse of forest, mineral wealth and knowledge, and with the economies of China, India and Brazil eventually driving resource prices up, once again northern Ontario will be an economic engine for Ontario. In the next decades, northwestern Ontario will drive part of the economy of the province, generating the revenue to support provincial programs and creating employment in our region.

At the same time, northwestern Ontario's traditional economic pillars of transportation, natural resources and government are in the process of evolving into a new economic base that can most succinctly be described as value-added knowledge creation and services. The Ontario government must support and facilitate northwestern Ontario's transition to a value-added knowledge culture that generates high-end products and services based on the traditional resource sector and transportation activities, as well as in new areas of health research, education and the bioeconomy. This knowledge economy spans across all economic sectors, as the application of innovation technology is as pertinent to traditional sectors such as retail, service, forestry, manufacturing and mining as it is to new emerging streams such as biotechnology, communications and waste management.

The Grow North plan must be the framework that ensures that the people of the north are the prime beneficiaries of the resources that they tend on a daily basis. The plan must also ensure that key decisions respecting the viability of the north are made by people who live here and rely on those resources for their sustainability. All future changes to the Grow North plan must be generated by the people who live and work in the north and, in turn, must be selected by the people of the north.

The process can be started in the 2010 provincial budget. That budget must focus on long-term sustainable

jobs for northwestern Ontario. It must include strategies that will enable our existing but currently idle mills and paper machines to restart. At the same time, it must support the development of the bioeconomy, not just programs like the FIT energy option, but in terms of consideration of investment instruments like flow-through shares to attract investment in this growing industry.

We want to point out to the members of the committee that unless there is a strong and viable primary forest industry in place, the chances of developing a functioning bioeconomy are greatly limited. Part of the long-term solution to the forest industry crisis is to implement an industrial electricity price so that the pulp and paper industry in particular—but also as important, the mining and mineral processing sector—can plan for the long term.

Northwestern Ontario is poised to experience the biggest mining boom in Ontario since the mines in Sudbury and Timmins were first opened. While much of the national media is reporting on the spectacular Ring of Fire area, almost every community in the northwest is experiencing significant staking and drilling activity. Atikokan, Kenora, Dryden and Greenstone are but four of the communities that have major properties under active consideration. Every day in the regional newspaper there are reports of yet another find or further drilling with very positive results.

We would also encourage the government to provide the funding to create a new northwestern Ontario school of mining as a joint effort of Lakehead University and Confederation College. It shall include key linkages to area First Nations and their political organizations. As we have heard recently, First Nations in the vicinity of the Ring of Fire want their people to be employed by the mining companies. For this to mean anything more than low-level labour jobs, they need the kind of technical training required by the mining companies.

As you know, the price of metals drives explorations, but what you may not appreciate is that government policy can have a significant influence on the willingness of the investment community to back a particular mining venture. The industry requires long-term public policy stability. They don't need a new tax or set of rules that are implemented halfway through the development of a project.

We would encourage the government to ensure that any action does not undermine the future of the region by introducing new measures at an inopportune time. This includes the Far North Act. At our presentation to the Standing Committee on General Government studying the mining act and the Far North Act, we stated the following:

“We find it shocking that at a time when all of us have been extensively engaged in the Grow North exercise, your government has chosen to introduce legislation that will control the future of a massive part of northern Ontario.... What happened to your commitment through Grow North to make this legislation that will govern our future for decades to come?”

“Members, we have one message to you today: Suspend the review of the Far North Act and wait until the conclusion of the Grow North process to see what direction the people of northern Ontario want” to take.

We have not changed that position. We ask that you take this message back to the Premier.

On a final note regarding the resources of the northwest and returning to a historical role as an economic engine, there are a multitude of interested parties involved in the Ring of Fire zone north of Longlac. We are told there are two separate studies into a road-rail transmission link from Longlac to the development area. Some First Nations have been engaged by the proponents, while others appear to have been ignored. There is a need for the Ontario government to appoint a facilitator to work with the mining competitors, the area First Nations and the political organization and adjacent municipalities to ensure there is coordination and co-operation in the development of a common utility corridor required to connect the development with the services they need. We would strongly recommend that the facilitator be a northerner and be appointed immediately. This facilitator could be the precursor to the northern development commissioner for the northwest, as was recommended by the northwestern Ontario economic facilitator, Dr. Bob Rosehart, in his report *Northwestern Ontario: Preparing for Change*.

Directly linked to our ability to transform our natural resources into usable products is the availability of energy, particularly electricity, where development and processing is to occur. A few years ago when the Ontario Power Authority issued its long-term plan for the electricity system in Ontario, there was barely a passing mention of northwestern Ontario. When the region realized that once again it was being ignored, we acted. NOMA, through its energy task force, which is now driven by Common Voice Northwest, along with Atikokan and Thunder Bay—we intervened with the Ontario Energy Board, not only to draw attention to the shortcomings of the plan but to offer solutions as well.

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

Mr. George Macey: Okay, good. Common Voice Northwest is supportive of the construction of a new 230 kV line from just east of Nipigon to Pickle Lake. This line will not only connect the proposed Little Jackfish hydroelectric generation facility, but will enable access to significant amounts of wind generation potential along the shores, crucial to the mining community. This line will provide the upgrade necessary for the mines north of Pickle Lake and will assist in stabilizing the service. However, it must be noted that our support is conditional on the Ontario government and all the regulatory agencies making sure the Little Jackfish hydroelectric development receives final approval.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much, Mr. Macey.

Mr. George Macey: Thank you. Goodbye.

The Vice-Chair (Mrs. Laura Albanese): That concludes our presentation and also our day here in North

Bay. We are adjourned.

The committee adjourned at 1540.

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