



ISSN 1180-4386

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Tuesday 2 February 2010

**Journal
des débats
(Hansard)**

Mardi 2 février 2010

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
Greffier : William Short

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

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



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

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Tuesday 2 February 2010

Mardi 2 février 2010

The committee met at 0901 in room 151.

The Vice-Chair (Mrs. Laura Albanese): The Standing Committee on Finance and Economic Affairs will now come to order. We are pleased to start the second day of pre-budget consultations in Toronto.

**PRE-BUDGET CONSULTATIONS
ONTARIO RESTAURANT HOTEL
AND MOTEL ASSOCIATION**

The Vice-Chair (Mrs. Laura Albanese): I would call our first presenters and ask them to start their presentation. You will have 10 minutes to do so and that will be followed by up to five minutes of questioning. This rotation will go to the official opposition. Please state your name before you begin for the purposes of our recording Hansard.

Mr. Tony Elenis: Good morning. My name is Tony Elenis. I'm the president and CEO of the Ontario Restaurant Hotel and Motel Association. I'm joined today by Michelle Saunders, our manager of government relations.

The ORHMA represents approximately 11,000 business units in the hospitality and tourism industry. In turn, these business units employ thousands of Ontarians who contribute to our economy every day. Our membership is diverse and spread across a spectrum that includes small, family-run companies and large corporations. We often feel that the only things more diverse, but equally dynamic, are the government policy files that impact our industry. A common set of elements to our industry is the reliance on consumer confidence and disposable income, as well as public policy decisions that stimulate the economy, create jobs and reduce regulatory burden. As you can appreciate, we are an extremely regulated industry.

We are all too keenly aware of the impact of the global recession on Ontario's economy. Ontario's hospitality and tourism industry is the first in and last out of any economic downturn and this recession is not an exception. So while we are starting to hear talk from the federal government and the banks of the economic recovery, we have yet to see those signs in our industry, particularly among our smaller members.

The ORHMA recognizes the fiscal pressures of the government and understands that the 2010 provincial budget will be one fraught with tough decisions. ORHMA members have survived the recession—or, shall

I say, those who have survived have done so—by taking a close look at their expenditures and finding every savings possible. At the end of the day, our members can't simply raise menu prices and room rates and expect the customers to keep coming back. The industry is very competitive on price points. Government should note this example. So we have tried, as an association and as an industry, to focus our recommendations this year on efforts that will assist business in controlling costs. It is our hope these efforts ultimately will result in job creation, economic stimulation for the industry and perhaps some certainty in these uncertain times.

We have prepared a comprehensive set of recommendations focused on a limited number of policy areas.

Ontario's general minimum wage is scheduled to increase March 31, 2010, by 75 cents to \$10.25 from its current \$9.50. In Ontario, we continue to have two very important subcategories of minimum wage earners. These are called differentiated wage rates, meaning Ontario's liquor servers—those who earn gratuities—and students—those 18 or younger who work 28 hours a week or less during the school year—earn minimum wage rates lower than the general minimum wage. All three of these wage rates are scheduled to increase by 75 cents in March. Let me state first that the ORHMA supports the existence of the differentiated wage rates.

During a time of fragile economic recovery, the government must look at reducing costs that businesses face, just as it is reviewing its own expenditures. Past decisions need to be revisited. Labour currently accounts for more than 33% of restaurant operating dollars. Studies show, and certainly the experience of our members indicates, that minimum wage increases cause employers to respond by reducing the number of workers they employ and/or the number of hours their employees work. In other words, increases in the minimum wage result in higher unemployment for low-skilled workers and young people. This negative impact is particularly troublesome in our industry because we are not only selling food, we are selling service. Therefore, a reduction in hours or staffing because owners simply cannot afford the labour costs is effectively reducing the service we provide to our customers.

While we ultimately would like to see the general minimum wage rate held at 2009 levels, the ORHMA recommends implementing the general minimum wage increase by 75 cents but over a three-year time frame at 25 cents per year, after which time a third party review

should decide future adjustments to minimum wage. It is further recommended that the minimum wage rates for liquor servers and students be frozen at 2009 levels.

Before I leave the subject of minimum wage, I'm compelled to point out that the annual increases to all minimum wage rates have had numerous impacts, including the obvious ones already mentioned, but another, less obvious impact is that many small employers' payrolls have now ballooned to such a degree that they are required to pay the employer health tax. Previously, these same employers would have fallen below the \$400,000 threshold. This is an additional burden small restaurateurs simply cannot bear. The ORHMA recommends increasing the threshold for the employer health tax from \$400,000 to \$1 million.

I realize we are limited with time so let me just give you an overview of the other issues of concern to the ORHMA and our membership. ORHMA recommends the following:

- that the government introduce a wholesale pricing regime for beverage alcohol to help offset the increased cost of alcohol which will result from the introduction of the harmonized sales tax;

- that the government eliminate the environmental levy charged to liquor licensees on all non-refillable wine, spirits and beer bottles, which essentially was made redundant by the deposit-return program;

- the extension of the existing apprenticeship training tax credit to the positions of red seal chef and red seal baker to assist employers in the hiring and training of apprentices. I should point out here that Ontario is now the only province to not provide a tax credit to employers taking on apprentice chefs and bakers;

- hold WSIB premium rates at their current levels and address the unfunded liability;

- undertake a systemic review of WSIB to find internal savings and program efficiencies;

- the development of a tourism investment strategy, a recommendation proposed in the competitiveness study prepared by Greg Sorbara in 2008. This will stimulate tourism and, in turn, benefit Ontario's economy. Specifically, it is time to set up a success team to drive a proactive approach to tourism investment and urgently set up a loan guarantee program for tourism businesses;

- amend the City of Toronto Act to revoke the city's authority to levy a liquor tax.

We appreciate the opportunity to present before you today. We hope we have underscored the needs that the thousands of ORHMA families have asked us to bring to your attention. We recognize that this committee and the government have some very tough choices to make moving forward. Thank you.

The Vice-Chair (Mrs. Laura Albanese): And thank you very much for that presentation. I will now ask Mr. Shurman to begin the questioning.

Mr. Peter Shurman: Thank you very much for an interesting presentation. There are those out there and in this room who would take great exception to what you have to say about the minimum wage. I would not be one

of them. I'm very interested to hear more amplification of the position that you've taken.

I am extremely aware through personal relationships with people in the restaurant and hospitality business who have given me ample reason to understand a lot of what you said, but I think it's important that more than just a few people understand that restaurants, particularly, operate on a precarious basis in the sense that it's very rare to see bank financing funding a restaurant. It's often a family business. The margins can be extremely tight and restaurateurs at the small level spend an awful lot of time worrying. I know one of them has spoken to me very recently in my riding.

0910

Tell us about minimum wage/gratuities and how employees are compensated in the restaurant business, and expand on the impact you say it has that can affect employment in the province.

Mr. Tony Elenis: First of all, 28% of the gratuity earners work in our industry. They make gratuities and in many ways their paycheque is a little higher than the manager who runs the room, and they work hard at it. What's happening on the restaurant scene now is that we see only a small pool of payroll to go around. With the minimum wage going up and another increase projected in March, we are seeing restaurateurs curtailing pay increases to other jobs that don't earn gratuities—in the kitchen, for example, the cooks and the bakers. Those are the ones who actually earn an income to take home and support a family and make a career of it. A skilled trade is really capped due to the minimum wage increases. There aren't enough dollars to go around. It's as simple as that.

Mr. Peter Shurman: I think you also make an interesting point that the government should pay attention to in dealing with the minimum wage, and that is that you parse it into several categories. It's like saying "the Asian community," as if Asians are all one community, and people do that and it's an error when we talk in public. Talking about the minimum wage as if it applies in one particular and uniform way to everybody is wrong and you've illustrated that point. Maybe you could amplify on that.

Mr. Tony Elenis: I think the student differential rate is made up of students. My own son works to make a living, to help himself through school. They are supported at home. It's not a poverty-driven sector. Of course, we talked about the liquor servers who earn gratuities and that's really their take-home to meet expenses on a daily basis.

We're talking about restaurants; it's the whole picture, the whole package. In the last 10 years, tourism has been down by 32 million visitors. It's affecting restaurants. Manufacturing is down and that's affecting restaurants. The global economy is one item that just came in as of late. This has been going on now for the last 10 years. We have seen food prices going up. We have seen gasoline prices going up. There are a lot of fixed expenses in restaurants that operate anywhere from 1% to 2.5%—slim margins, razor-thin margins.

Mr. Norm Miller: Thank you for your presentation. I think the two of us could ask you questions for half an hour, but we only have five minutes.

Mr. Tony Elenis: We could take another half hour.

Mr. Norm Miller: I note you make mention of WSIB. Are you seeing an increase in regulations in the industries that you represent: hotels, motels and restaurants?

Ms. Michelle Saunders: If I could respond to that, we are seeing an increase in regulation, but what we are also seeing is an increase in the confusion in the business community about the role of WSIB and the role of the Ministry of Labour. We've been working with both the agency and the ministry to try and make sure that their work is streamlined and coordinated, that employers understand their responsibilities so that they can meet their obligations. Of course, they want to do that to the best of their ability. They do have—

Mr. Norm Miller: So it's safe to say that there are a lot of rules out there. My feeling is that it's pretty much impossible for the businessperson to actually know all the rules. I'm sure the great majority of them want to comply, but they don't necessarily know the rules and government doesn't necessarily communicate with them.

Mr. Tony Elenis: WSIB comes up as one of the top three issues out there as far as having too much regulation placed on it.

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

Mr. Norm Miller: I have 15 seconds for the other 10 issues I want to ask you about, but I note that you'd like to see the threshold of the employer health tax—that's just a tax on payroll; I'm correct on that?

Mr. Tony Elenis: Right.

Mr. Norm Miller: So once the income of your business hits \$400,000, you have to pay that payroll tax.

Mr. Tony Elenis: The minimum wage increases have made that to be reviewed.

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

ONTARIO ASSOCIATION OF NON-PROFIT HOMES AND SERVICES FOR SENIORS

The Vice-Chair (Mrs. Laura Albanese): We'll now call on the Ontario Association of Non-Profit Homes and Services for Seniors to come forward. Good morning. You will have 10 minutes for your presentation and that will be followed by up to five minutes of questioning. In this rotation the questioning will go to Mr. Prue, representing the NDP. Please state your name before you begin.

Ms. Donna Rubin: Good morning. My name is Donna Rubin. I'm the chief executive officer of OANHSS. With me this morning is Maria Elias, who is the chair of our board and also CEO of Belmont House, a long-term-care home here in downtown Toronto. In your package is our formal submission as well as the slide deck that I'll be using to highlight just a few key points this morning.

To make sure you know who we represent, OANHSS is the lead voice representing not-for-profit long-term care in Ontario. We represent 27,000 of the 76,000 long-term-care beds and our members have a continuum of care. Often, many of them have a home, housing or community services programs that they offer.

I'm going to quickly go through the first few slides. The demand for long-term care has been increasing. The supply remains pretty constant. The wait list is just under 26,000 beds and we're pretty much full. The latest utilization reports show we're at a 99.6% occupancy rate.

Just so you understand the levels of acuity of the residents we serve, we're providing assistance to practically every activity of daily living—dressing, toileting, eating—and a growing number of people require special intervention, such as feeding tubes, chest drainage and oxygen.

I'm on slide 5. Our objective is to help the government with its overall ALC objectives, trying to get people out of hospitals' emergency rooms and into other alternate forms of care, long-term care being one of the main ones. But to meet those objectives, we need to see a number of our needs satisfied. I'm going to talk briefly about workforce capacity enhancement, system change management support and relief to the other accommodation envelope.

Briefly on slide 7, the main point we want to make is that for many years, we've identified that we need a number of staff increases in long-term care to our staffing complement, and this government actually promised targeted positions to RPNs, nurses and PSWs. That RPN target has been fulfilled, but we're still looking to fill 1,600 PSWs and 1,350 nursing positions. They remain unallocated. These were promised in the 2008 budget. So they have been committed, but we have not seen the full wave of those investments flow.

The Sharkey report that came out about a year and a half ago also recognized the need for staffing in long-term care, and they called for staffing levels to increase to four paid hours per resident per day. We're recommending that the allocation of all these remaining positions, as well as additional HR resources to bring staffing levels to four paid hours per day, happen as soon as possible in the 2010-11 year. We've been waiting for a long time and our residents really can't wait any longer—nor can the system, if it wants to achieve its goals.

One of the main areas under workforce capacity is that we need specialized staff and trained staff, particularly to work with a population that has cognitive impairment. Over two thirds of our residents have cognitive impairment and a growing number have serious mental health issues, and we've presented to the Select Committee on Mental Health and Addictions on that point.

We also have called upon the government in that report to identify a system-wide HR plan. The funding methodology used to look at the level of care in long-term care doesn't capture behaviours very well. We're not getting funded as much as we should to provide support to that population. We want the government to review that, complete a study and start to commit funding

to support us in that area by the end of the second quarter of 2010-11.

The third area under capacity is infection control. Like many other parts of the health sector, we have a vulnerable population. We've taken the brunt of SARS, listeriosis and flu. They cause havoc amongst our population. We don't think it's reasonable to ask for dedicated infection control practitioners, but we want to at least be able to train the staff we have in this area. We think that's fundamentally important and we know this government's going to look at patient safety in the area of long-term care—I'm looking at indicators—and we need to train up our staff.

0920

I'm going to switch to system change management support, because we're in an unprecedented era of overhaul, of a number of system changes. Our compliance inspection system is being looked at. We've got a new assessment system, MDS/RUGS. Most of you will know we've got a new Long-Term Care Homes Act and a new regulation coming out, hopefully this year. The government has been good in managing some projects to get all of the homes up to speed very quickly. There are 622 long-term-care homes in the province. If we can get enabling support—for example, when the new act comes into force, overnight we're going to be on the hook for new changes and requirements, and they could support us tremendously by putting in their budget money to help homes with the change management of that.

On slide 11, I want to speak briefly to acuity-related needs. When we've got people with increased needs in our homes, it affects the other envelopes that we have, including what we call "other accommodation." That's things like housekeeping, laundry and other services. Historically, we get an OA increase. Last year, it wasn't put into the base; it was just one-time, because of the fiscal challenges. We'd like to have that OA increase annualized, as well as ongoing OA increases in this year's envelope.

Finally, I'd like to just mention that we also have to commit funds to ongoing physical plant renewal. It's one thing to have a capital program to tear down and rebuild homes, which is obviously needed, but these homes last for 20, 25, 30 years, and there are no operating dollars to look at replacing your roof, changing your carpets, your heating systems. We used to have minor capital grants. We need to look at provision for ongoing capital. As well, homes are putting money aside out of operations so that they have the funding to rebuild when that time comes. We recommend the ministry study options for ongoing funding of these costs.

In conclusion, it's very important that we look at the recommendations we have identified, if the government does want us to play our part in the overall ER/ALC strategy, not only to do that but also to do well by the seniors that we're serving. Our prime focus is to make sure they've got the support that they need and deserve.

Thank you very much.

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

Mr. Michael Prue: Yes, a couple of questions. I note from your front page that there are 27,445 beds, but there's also a wait-list of 25,680. That means only about half the people are being accommodated. Would that be correct?

Ms. Donna Rubin: Well, there are 76,000 beds in the province. You're right. They could be on multiple wait lists. Maria can speak more to that as well, because she's got a wait list for her home.

Ms. Maria Elias: I'd just like to clarify that we have on our wait list 360 people, and we have a turnover rate of about 30 long-term-care residents a year. Certainly, the demand outstrips the supply of long-term-care beds provincially.

Mr. Michael Prue: On one of your slides, Workforce Capacity Enhancement, you talk about, "Currently, funding for over 1,600 PSWs..." Above that, you have "2,500 PSWs." Do you require 1,600 or do you require 900? I'm not sure, from that—

Ms. Donna Rubin: Okay, sorry. Currently, the funding for the 1,600 remains unallocated, so 2,500 is the target. In the first wave, in the 2008 budget, there was funding for about 880, and we are needing 1,600 further PSWs.

Mr. Michael Prue: So that's twice as many as were in last year's budget.

Ms. Donna Rubin: Right. And this past year, none were allocated. There were no funding investments.

Mr. Michael Prue: The second thing: You say "nursing positions remain unallocated" and there's 2,000 nurses. Are they all unallocated? No nurses were provided?

Ms. Donna Rubin: Yes, nurses were provided last year. Particularly, they helped us staff up with MDS, a new funding assessment tool. But 1,350 nursing positions remain unallocated.

Mr. Michael Prue: Okay. Now we've got that clear, have you given any thought as to how much that's going to cost the government? You obviously know what it cost them last time to put some of the people in. How much more is that, in dollars?

Ms. Donna Rubin: To fulfill these positions would probably cost in the area of \$150 million.

Mr. Michael Prue: Okay. And if those positions were filled, would it do anything for the level of service? I know many people advocate 3.5 or four hours a day per person. Nobody's getting anywhere near that.

Ms. Donna Rubin: This would bring us much further. This would bring us close to between 3.1 and 3.5, and we're asking as well that we get closer to four hours. But right now our ratio, for example, for nurses on average in the province is one nurse for 64 residents on a day shift and one for 100 to 250 on the evening shift, depending on the home. So infusing the system with nurses and putting in more PSWs would give us more direct-care staff on the floor. It would make a huge difference.

Mr. Michael Prue: It would make a huge difference?

Ms. Donna Rubin: Oh, absolutely. But we don't want to wait for another three years for this to happen. We're

saying we need it now to ensure the safety of our residents. That's what's keeping people up at night. They can't ensure the safety and the well-being of the residents, because two thirds of them have cognitive impairment and many of them have violent, aggressive behaviours.

Mr. Michael Prue: I know that this promise was made by a former Minister of Health, that there was going to be a revolution. Have you seen any part of that revolution?

Ms. Donna Rubin: Well, if these positions had occurred several years ago when that revolution was announced, we would have had it, but no; we're still waiting for it to happen.

Mr. Michael Prue: You also talk about continuing the indexation of the OA. You got \$1.55 per resident per day in last year's budget. How much extra money was that?

Ms. Donna Rubin: What did it bring, the \$1.55?

Mr. Michael Prue: Yes.

Ms. Donna Rubin: Do you want to speak to that?

Ms. Maria Elias: Well, taking a look at my particular home, that brought in an additional \$50,000. But I can tell you that there haven't been increases to the OA envelope in many, many years, and yet we are required to provide a safe and secure environment for our residents. For example, I have to replace a generator that's going to cost me over \$60,000 and I have to take that out of the operations, which therefore means I have to take it out of the care that's being delivered to the residents. So roof repairs, generator replacement in case of a power outage, which we recently experienced: We do need to ensure a safe environment, and there are no additional funds from government to ensure that.

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

KINARK CHILD AND FAMILY SERVICES

The Vice-Chair (Mrs. Laura Albanese): Now we'll call on Kinark Child and Family Services. Good morning. You will have 10 minutes for your presentation, and that will be followed by up to five minutes of questioning. This rotation will go to the government side. Please identify yourselves before you begin your presentation for the purposes of our recording Hansard. Thank you.

Mr. Peter Moore: Good morning. My name is Peter Moore. With me is Tracy Folkes Hanson, the communications director at Kinark. I'm the executive director there. I appreciate the opportunity to present to you today.

I'm speaking for children and youth who too often do not have a voice, and for parents who are silenced by shame and stigma. My message focuses on children's mental health in Ontario.

Kinark conducted a national survey in 2007 which put numbers to facts: 40% of parents are ashamed to admit that their child suffers from anxiety or depression. One

third of women and two thirds of men would be ashamed to admit that their child has attempted suicide in the past. Yet mental health issues permeate our society: in our schools, in the Ontario child welfare system, in our youth justice facilities and in our health sector. In fact, we are facing what one pediatrician in Peterborough has called a silent epidemic.

I'd like to begin by telling you about Kinark Child and Family Services and children's mental health. Next, I'll share some real-life stories to illustrate the facts, and then I'll focus on the provincial perspective.

Kinark is the largest children's mental health organization in Ontario. Our services are divided into three main areas: autism, children's mental health, and youth justice. We run the Syl Apps Youth Centre in Oakville as well as a number of community-based youth justice programs. Our catchment area is the 705 and 905 area codes. As well, we provide clinical services and supports to fly-in First Nations communities in the north at their request when we can find the necessary funding.

Our partnerships are extensive—schools, children's aid societies, daycare centres; the list goes on—because, in fact, although siloed in our funding, children with mental health concerns are with us everywhere.

0930

The number of children and youth in Ontario who need our assistance is staggering. We know that one in five children in Ontario currently struggles with mental health issues, and this is at the point where problems are diagnosable. Only one in six of these children receives treatment. Each of these children and their families needs help. Each of these 533,000 children is surrounded by a classroom, a neighbourhood and a community which are affected by these problems. Based on these statistics, then, most of us in this room are personally impacted, directly or indirectly, by child and youth mental health.

Why, then, do 15- to 24-year-olds have the highest level of unmet mental health needs of any age group in Canada? Why do we deem it acceptable that the leading cause of death among 15- to 18-year-olds, after accidents, is suicide? Why does 80% of the youth incarcerated in our criminal justice system, what Senator Kirby has called the asylums of the 21st century, have a mental health disorder?

Behaviour is the language of children. Children and youth speak to us about their anguish through their action, not words. Parents are silenced by shame and shunned by stigma. This means that we must take up the cause—politicians, community leaders and service providers—for the health and future of our province and, indeed, for kids.

Let me give you a few examples. Tyler was only six when he started closing off from his family, teachers and friends. Between his struggle with schoolwork and his inability to keep up with the other kids, Tyler frequently found himself the object of ridicule and bullying in the playground. "Stupid," "moron" and "idiot" are words he tells us he used to describe himself. Tyler dropped out of school and is unemployed. He has a girlfriend and now a

young son. They are living on social assistance and are having difficulty with parenting.

Had Tyler's unidentified learning disability been diagnosed and had his parents understood the root of his difficulties, Tyler would have received the help he needed to reach his full potential. Instead, his coping mechanisms manifested themselves in temperament and behaviour problems which he has carried into adulthood and, indeed, is passing on to his own son.

The messages children and youth are trying to convey too often are misinterpreted and cast aside as bad behaviour and laziness. "Better to be bad than mad," as one youth has told us. Stigma prevents parents from realizing or acting on the early red flags.

When a youth with an untreated mental health problem commits a crime within the community, a game of dominos begins. Matthew was sexually abused as a young boy by an adult in the neighbourhood. He was afraid to talk about the trauma and became isolated at home and at school. As an adolescent, he gravitated to peers who would accept him, a loose gang that was involved in petty crimes. When Matthew was apprehended after one incident, his long career in the youth justice system began, from probation to open custody and then, because of his uncontrollable behaviours, to custody in a secure facility.

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

Mr. Peter Moore: How many? Sorry?

The Vice-Chair (Mrs. Laura Albanese): Ten. You could go to your conclusion at this point.

Mr. Peter Moore: All right. Sorry.

The average cost of treating children's mental health problems in community-based agencies is \$2,500 per year. The cost of incarcerating a youth through the juvenile justice system is \$90,000 per year. The cost of a pediatric hospital bed is more than \$900,000—\$2,500 in a community setting, \$90,000 in a youth justice bed, \$900,000 in a hospital bed. Early intervention is the key.

Minister Duncan has asked how we can work together to provide better public services and build a stronger economy for the people of Ontario. I've talked to you about personal and social costs, but the math is simple, too. Every \$1 spent in mental health and addiction treatment saves \$7 in further health costs and \$30 in productivity. The government has identified health care and education among its priorities. Once again, let me emphasize that children's mental health is embedded but not funded within these systems.

The Vice-Chair (Mrs. Laura Albanese): I'm sorry; I probably am in error and not you. You still have four minutes.

Mr. Peter Moore: Okay. We read it to ourselves, and I thought—

Ms. Tracy Folkes Hanson: We thought we were well-timed.

The Vice-Chair (Mrs. Laura Albanese): Sorry about that.

Mr. Peter Moore: We hear mention of the importance of mental health in separate but often unconnected task forces and reports; the poverty agenda and the roots of violence are two that come to mind. The all-party Select Committee on Mental Health and Addictions sends a promising signal that all politicians appreciate the urgency of the issues. So what are we to do while the reports are tabled and the select committee deliberates?

I think there is a lot of work that we as a sector must do. Children's mental health must become more accessible to those it serves and better integrated with education and public health. We need a better continuum of services—from prevention to early intervention to tertiary treatment through the lifespan, from infancy through adolescence and transitioning into adulthood. This is work that we as bureaucrats and service providers must attend to for the best use of scarce resources.

Ministries and service providers have taken some steps. The autism school support program and the student support leadership initiative were both developed to address improved service relationships: easier access for children, youth and their parents and, at the end of the day, better outcomes. We know that with job loss, dislocation and family stress, demands for mental health services for children and youth increase, but we cannot address immediate needs or accomplish innovative solutions for the future while the service system disintegrates.

At the end of 2008, the Auditor General's report said: "Core funding for children's mental health services across the province has been eroded for the past decade. As there has historically been little or no annual funding increase for the agencies' core programs over the last 10 years, the agencies have had considerable difficulty in maintaining their ... services. This erosion of funding amounts to reduced services for children needing mental health support, in particular prevention and early-intervention programs designed to reach children before their mental health issues are severe..."

A lack of adequate funding in the children's mental health sector will cause a critical shortage of mental health professionals who specialize in treating children and youth. This shortage increases wait lists and depletes Ontario of the expertise it requires for any kind of transformed mental health system of care in the future. We know that treatment works; evidence-based prevention and early intervention programs are effective, leading to improved academic progress, social development, behaviour and mental well-being. Mental health is as important as physical health, so in this unstable economy we need cost-effective programs which can intervene early, providing the right amount of support at the right time in the most cost-effective manner possible.

We recognize you have many pressures to protect public services in Ontario. We urge you to recognize the children and youth struggling with mental health, those who truly need your support especially in these times of uncertainty. Our children may be only 25% of our population but they are indeed 100% of our future and this is an investment we cannot afford to squander.

Thanks for your time.

The Vice-Chair (Mrs. Laura Albanese): Thank you. I apologize for that error. I will now turn to Mr. Arthurs for questioning.

Mr. Wayne Arthurs: Peter and Tracy, thank you both for being here. Our Chair is being really efficient this morning. I must say when she gave you 15 seconds I thought, “The presentation was engaging; time flew.” I was prepared in the time we have available to allocate it to you to continue your presentation, but I’m glad you got the time that was available.

I sort of wish this morning that Kevin Flynn was here, the member from Oakville, who is chairing the select committee. He will hear much of this, but also because of his direct engagement on the file, more directly on the issue of children’s mental health, and on mental health and addictions, broadly.

You gave a couple of examples of individuals and their experience. You’re making a compelling case for early intervention from the standpoint of providing care, but also avoiding downstream costs.

Mr. Peter Moore: Exactly.

Mr. Wayne Arthurs: You made some reference in your submission—I don’t know whether you verbalized it or just in the written submission—to some of the cost differentials to do a variety of things, everything from early treatment at a price point, to incarceration, through to pediatric hospital care.

Do you want to comment a little more on those? I’d like to have a little more on the record about what those cost differentials are, how you see them and how effective they are with early investment in intervention, both from the standpoint of care but from the standpoint, for the purposes of this committee as well, of the fiscal impacts that occur, either from these various scenarios or the downstream costs that the public is going to endure.

Mr. Peter Moore: Yes, thank you. As I said in my presentation, it’s \$2,500 per year per child for community-based care, so that would be early intervention and prevention; \$90,000 for a youth justice bed in a facility; \$900,000 for a pediatric bed. So that really has to do with exactly what you said, that at the time of intervention, we can serve a number of kids.

0940

There are parenting programs where we can do a population-based approach. In our presentation to the select committee, we talked about the economies of a population-based approach. If you provide parenting programs and you have the knowledge to intervene early, when kids start to show behaviours that are different than others, then you save all that money. The issue is both being able to allocate—if you have kids who are threatening suicide, you have to address that. Then you have the problem of all of the money going to tertiary care for the really critical situations and no money being available for early intervention and prevention, so we need a system that realizes the importance of early intervention both from cost and the social costs.

Mr. Wayne Arthurs: You made the comment as well, and I didn’t get it exactly, but the idea of the youth

being bad rather than getting mad, something to that extent; it’s easier to be bad, sometimes, than to get mad—and the cost related to the judicial system and the youth justice system?

Mr. Peter Moore: Right. At Syl Apps, we see the youth who are really at the end of their rope. They’re the ones who need to be in a secure facility because they’re a danger to themselves or to others. When we dig underneath their behaviour and start talking to them about what the issues are, we see complex mental health problems. If they get a relationship with their counsellor, they’ll say, “Well, my parents wouldn’t allow me to have emotional problems.”

They’re not always that articulate, but it’s easier to act out the problems than to confront them, and it’s compounded by the shame, the stigma and the discrimination that we’re all trying to alleviate in our communities.

Mr. Wayne Arthurs: Let me just thank you for the work that you do generally and for the work of the adults working across Ontario, particularly with young people with mental health issues, not just the north, but Kinark in particular.

Mr. Peter Moore: Thank you very much.

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

ONTARIO CHAMBER OF COMMERCE

The Vice-Chair (Mrs. Laura Albanese): I’ll now call on the Ontario Chamber of Commerce. Please come forward. I think you’ve heard this before: You’ll have 10 minutes for your presentation. If you could please identify yourself before you begin. I invite you to begin at any time you feel ready.

Mr. Stuart Johnston: Good morning.

The Vice-Chair (Mrs. Laura Albanese): Good morning.

Mr. Peter Shurman: On a point of order, Chair: Could we get a little more volume here so we can hear what these people are saying?

The Vice-Chair (Mrs. Laura Albanese): Could you please put up the volume? Thank you.

Mr. Stuart Johnston: I’ve never been accused of speaking quietly, so this should help too.

Good morning. I’m Stuart Johnston. I’m the vice-president of policy and government relations at the Ontario Chamber of Commerce. Thank you very much for this opportunity to express our members’ views on this 2010 provincial budget.

Our organization represents some 60,000 businesses across Ontario through a network of 160 local chambers of commerce and boards of trade. We do not represent one particular business sector, but rather the collective and cumulative views of business in this province.

Our mission is to research and promote important policy issues that serve to bring economic renewal and business competitiveness back to the province. Our key priorities are policies that focus on a competitive tax and regulatory regime, a skilled workforce, modernizing

energy and infrastructure, and those that assist Ontario to transition to the new economy.

Difficult decisions lay ahead for the government as it prepares for this budget. We have emerged from the worst economic downturn since the Great Depression, and lower demand for Ontario goods has resulted in lower sales for Ontario companies, meaning smaller profits, fewer jobs and ultimately, lower government revenues.

On the flip side, higher unemployment and lower economic activity have compelled governments around the world, including here in Ontario, to stimulate the economy through increased government spending. And we, as a society, had given our governments tacit approval to do such a thing. Of course, this resulted in a large gap between government revenues and expenditures, leaving governments, like their private sector partners, with difficult decisions.

Like any home or business that must balance its books, the government must make prudent decisions about where dollars are spent based on realistic projections of the money that can be expected to come in.

In preparation for our budget submission, we gathered input from across our membership through surveys and round table discussions in communities throughout Ontario. In addition, our grassroots membership has input into the policies that govern our thinking each year.

This research has generated a lot of good news. For one thing, Ontario business confidence for the next 12 months has surged back to almost 2007 levels. Fully 60% of our respondents expect better performance this year than last. And what's more, they intend to invest in hiring new staff, expanding their businesses, and increasing their capital investments. This is great news for the economy.

There also seems to be a consensus among our members on the priorities they expect of their government as it embarks on the difficult decisions ahead, and I've boiled this down today into a few key points.

Let's start with the revenue side of the equation.

Our government must take measures to stimulate more economic activity. Just last week, in his State of the Union address, to great applause from both sides of the chamber, President Obama stated that the true engine of job creation will always be America's businesses, but government can create the conditions necessary for business to expand and hire more workers. It's no different here in this country, as I'm sure you'll all agree.

The tax reforms announced in last spring's budget will go a long way to creating an environment more conducive to job creation and business investment. The harmonization of the retail sales tax with the federal GST, as well as the reductions in business and personal tax rates, are measures long called for by our members as part of a smarter taxation package. These reforms will go a long way to reduce the corporate tax burden, improving business competitiveness, which will lead to greater investment, the creation of more jobs and higher government revenues. It is vital that the government stay the

course on these reforms and, where possible, accelerate their implementation and further reduce the personal and business taxes as a way to stimulate the economy—and we underlined “where possible.” The higher government revenues that come from increased economic activity will be critical to a government facing a \$25-billion deficit.

The second way to create a more competitive business climate, and therefore more business investment and stronger government revenues, comes in the form of smarter regulation and less red tape. We cannot underscore this issue enough. Businesses across Ontario continue to cite regulatory costs as their greatest impediment, and a dollar spent managing red tape is a dollar less for investment or hiring new people.

Promising announcements like the Open for Business strategy and the twice-annual effective dates policy in 2009 signalled to our members that improvement was on the way, yet progress seems to have stalled.

Businesses in Ontario understand the need for regulations, but they expect smart regulations that are properly implemented. Let me give you a real-life example.

A small automotive repair shop owner in southern Ontario has been in business for nearly 40 years. He has employed and trained many mechanics over his career and, in total, has paid millions in taxes. Moreover, not once has he had a claim with the WSIB or violated safety regulations. He has a clean record with the Ministry of Labour. However, just days before this Christmas holiday break, a ministry official asked him how many employees he has. He replied that he had four, but said that his spouse comes in once a month or so just to do the books for him. The official indicated that because he now has more than five employees working on the premises, when you include his wife, it vaults his business into a different category which requires adherence to more regulations—an arbitrary number not based on the realities of this particular business. He's now required to have employees elect a safety officer, whom he must train at his own expense, and maintain their certification. The business owner is now subjected to much greater expenses, all because his wife comes in once a month to do the books. This was the regulatory straw that broke his back and ultimately why he's shutting his business. It's not the only reason, but it's compounding the reasons why he's finally having to close his doors.

Smart regulations, according to this business owner, would not impose this burden on him. Smart regulations would not impede business investment. They would stimulate economic activity and, as a result, government revenues.

Now to the expense side of the equation.

Our members have overwhelmingly agreed that the government must reduce the size of government and its overall spending and dramatically transform its fiscal planning to work towards planned, efficient spending. In short, our members are concerned about the affordability of government at all levels of government.

In fact, stimulus spending and reduced tax revenues aside, Ontario has long been spending beyond its means.

Overall spending by the Ontario government has outpaced economic growth since 2001. While it should be acknowledged that spending, excluding stimulus funds, began to decline last year, which was a good trend, much more needs to be done. A commitment to keeping spending growth at or below the same rate as the economy will be a significant and welcome achievement, albeit a challenging one, we admit.

Government expenditures cannot be addressed without looking at the elephant in the room: health care. As you know, this is the single largest cost to government and growing at a significant pace. It simply cannot be excluded with regard to spending restraints or cost efficiencies.

0950

We recommend that the government first conduct an actuarial analysis of health care expenditures, similar to what is done in regard to the Canada pension plan, for example, and something that has yet to be done for health care in Ontario. This would provide much-needed predictability, transparency and accountability, and provide a window to long-term planning. This is as a start in your approach to health care.

The same philosophy should be applied to transportation and infrastructure planning as well. The Quebec-Ontario gateway, we understand, is currently conducting a goods movement study, or will be shortly. Using the results of this study, we believe that a 30-year transportation plan must be developed that will include short-, medium- and long-term planning and investment objectives. Modernizing our transportation and infrastructure is a priority of the OCC membership. Therefore, we're suggesting that government plan for a generation ahead and not just for a few years.

And finally, smarter, more efficient spending must be applied to all programs across the broader public sector. We are suggesting a mandated competitive bidding process for government services across the broader public sector which allows bids from both the public and private sectors. The OCC believes government should support competition in the marketplace for the delivery of publicly funded services, both provincial and municipal. Taxpayers expect value for money, and we believe that a competitive bidding process will ensure services are being delivered in an efficient and cost-effective way and by the appropriate sector. Opportunities for greater value for money exist in areas like health care, waste diversion and pickup, permit and licence registrations and processing, support programs for businesses and individuals, and so much more.

As I stated earlier, our members are concerned about the affordability of government. Government is no different than any household or business here in Ontario. Our members expect a return to balanced books, and a stronger focus on long-term debt reduction as well.

By stimulating economic activity through tax reforms and less red tape, greater government revenues will be generated. And by taking steps to curb spending growth and better plan for expenditures, made more efficient through greater transparency and competition, the government will be better able to manage its expenses.

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

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your submission. This round will go to the official opposition.

Mr. Norm Miller: Thank you, Stuart, for your presentation today. There are certainly lots of things we'd like to ask you questions about, and I'm sure we'll run out of time to ask them.

I'll start with your emphasis on red tape and regulations being a concern of your members. Certainly, we've heard that from other presenters, whether it's the non-profit sector—we just had one where they were talking about new rules causing cost increases. You talked about the need for smart regulations.

It's my feeling, in meeting with people in my riding, that most businesses want to comply with the rules, but they're overwhelmed by even knowing what the rules are, necessarily. The government needs to simplify the rules, they need to communicate them better, and then they need to assist business in terms of complying with the rules, not just always being the police coming in and telling the business owner that they've broken the rules.

Would you agree with that? Do you think there needs to be a change in the way the rules are applied? You were talking about smarter regulations. Is that the kind of thing you're talking about?

Mr. Stuart Johnston: Our members have said that consistently over many, many years, and the situation never seems to change. The Open for Business initiative, the red tape secretariat in the 1990s, the twice-yearly posting of regs that are going to be in effect this year and beyond are all very good, but the momentum always seems to die on these initiatives.

Mr. Norm Miller: My feeling is that it's got to start at the top. I'm sincere in that. I believe it has to come from the Premier's office and it has to be about a whole attitude change in government to get the civil servants who are enforcing the regulations to actually try to assist business. I think your members want to comply with the regulations; they're not out to break the rules.

Mr. Stuart Johnston: Our members are frustrated. From what we heard from our members, everyone has a responsibility to approach this. I haven't heard yet that it's the Premier or it's this particular minister or it's this particular bureaucrat. It's consistent across the board. The attitude, as you say, needs to change to adopt a more customer-service-friendly attitude, but I think it behooves everybody in government and the public sector to approach it in the same way.

Mr. Norm Miller: I know my colleagues have questions. How much time do I have left? Probably not much.

The Vice-Chair (Mrs. Laura Albanese): You still have two and a half minutes.

Mr. Norm Miller: Okay. I will just ask one more question. The restaurant, hotel and motel association brought up—one of their requests was to raise the threshold on EHT, which I gather is a payroll tax, the employer health tax, from \$400,000 to \$1 million, because they say

more of their members are being caught by it. Is that something that you think makes sense?

Mr. Stuart Johnston: That particular issue has not come across my desk from our members, so I'll just bow to the expertise of the restaurant association.

Mr. Norm Miller: Okay. I know my colleagues want to ask questions.

Mr. Toby Barrett: Thank you to the Ontario chamber for presenting. You mentioned Obama's State of the Union address last week, and, regrettably, Obama also reintroduced the concept of "buy America." These are provisions that I consider very bad news for Ontario and certainly for the steel industry down my way at Nanticoke. I consider this protectionism, and I know there are ongoing discussions to try and achieve an exemption for Canada from this, given the fact that our trade and business is so inextricably linked with the United States. Is the Ontario chamber or your federal counterpart helping Ottawa in these discussions or providing arguments?

Mr. Stuart Johnston: Yes, absolutely. We're knee-deep in this issue. We're working with the Canadian chamber, Canadian Manufacturers and Exporters, IE Canada. There are a number of associations working with the federal government, and we are engaging our friends in the US on this issue as well, so we're very much engaged in this particular issue.

Mr. Toby Barrett: Does it lie much with—and I know a lot of this is really Canada-US, but does it involve persuasion or explanation? Or is it a trade challenge, that we have to down that road—

Mr. Stuart Johnston: Well, frankly, our members are saying that we don't want to play tit for tat here. To use the cliché, it's a slippery slope. We need to continue to demonstrate to our American friends that our business is their business, and vice versa. We're such an integrated economy that any protectionism that they may implement will actually hurt American jobs as well as Canadian jobs.

Mr. Toby Barrett: No question. Thank you.

Mr. Stuart Johnston: Thank you very much.

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

GS1 CANADA

The Vice-Chair (Mrs. Laura Albanese): I would now invite GS1 Canada to come forward. Good morning. You will have 10 minutes for your presentation, and that will be followed by five minutes of questioning, this time from Mr. Prue of the NDP.

Ms. Alicia Duval: Good morning, everyone. My name is Alicia Duval. I'm the senior vice-president of health care, pharmacy and public affairs for GS1 Canada. I do appreciate the opportunity to speak with all of you today.

As you are all well aware, health care funding in Ontario is expected to be over 50% of the provincial budget by 2013. There is widespread agreement that health care delivery costs are quickly outpacing govern-

ment funding capacity. I'm here to tell you today that you can save \$300 million and improve patient safety at the same time.

A continued focus by this government on driving effective supply chain management in health care will minimize costs and improve patient care delivery.

Ontario has already taken a leadership position to invest in achieving these outcomes through the support of the Canadian supply chain standards project, and I'm going to tell you today about the significance of this forward thinking in moving forward.

As you may know, GS1 Canada is Canada's national, not-for-profit member organization of GS1, the world's leading supply chain standards organization. GS1 develops global supply chain standards, such as the bar code, which are used by over one million organizations worldwide with over five billion business transactions done each year. When you're at the grocery store next time and you hear the beep at the cash register, you can think about this conversation knowing that the bar code on that product is a GS1 standard, and our electronic commerce standards help the industry so that computer understands what that bar code means to facilitate business efficiency within Canada and around the globe.

GS1 Canada membership includes over 10,000 organizations across all regions of Canada in over 20 sectors, including health care, pharmacy and manufacturing. In 2008, the Ontario government invested in the GS1 Canada-led Canadian health care supply chain standards project. This project has brought together key health care stakeholders from both Ontario and all of Canada to drive the adoption of electronic supply chain standards such as barcoding of pharmaceuticals and enabling electronic ordering and invoicing using this data.

1000

Health care stakeholders working with us on this project have come to the table for reasons such as the fact that upwards of 70% of paperwork, from purchase orders to payment, has errors that require manual intervention to fix. Other stakeholders have noted practices such as manually relabelling product when it comes into hospitals to fit internal proprietary processes. These practices are considered unacceptable in other sectors because of the unnecessary resources, both financial and human, they demand. Could you imagine if a grocery store, when it received its products in the back door, took time and human resource effort to relabel each of its products? That would not happen, yet it does happen in our health care system today.

The Canadian health care supply chain standards project is fixing this problem and enabling a sustainable and interoperable supply chain within Ontario and across the country. Without the foresight of the Ontario government and its subsequent support, this progress would have taken years to achieve. GS1 Canada encourages the government to seize upon the momentum generated by this initial investment to continue to build the framework for achieving sustainable health care in Ontario. This initial investment was confirmed through the Ontario Buys initiative.

There is a clear opportunity for Ontario's health care institutions to capitalize on the significant benefits of global supply chain standards to achieve cost efficiencies, enhance staff productivity and improve patient safety.

To give you some examples of how global standards impact health care costs, the Public Health Agency of Canada has recently quantified the benefits of identifying Canadian vaccines with standards-based barcoding and has estimated \$900 million in savings over 20 years. Outside of Canada, countries like the UK and India have integrated GS1 standards such as the bar code into their policies and practices. The GS1 system of standards was used in Ireland to manage products for hemophiliac patients from the point of the hospital to the patient's home. In the first year, the equivalent of \$7.5 million Canadian worth of hemophiliac medicine was removed from the supply chain, product wastage dropped from \$135,000 to zero and documentation errors went from 12 to zero.

In another example, a GS1 UK Nursing Times survey found that a third of nurses in the National Health Service waste up to two hours per shift looking for missing medical equipment. This means 40 hours a month and the equivalent of \$1.5 billion Canadian in wages are spent looking for missing pumps, drips and wheelchairs. The survey confirmed that GS1 identification standards would help correct this lost productivity.

But beyond dollars and cents, global standards save lives. A simple bar code on a patient's wristband improves patient safety by reducing risk and medical mishaps, facilitating the match of medication and/or procedure with the patient.

Early adopters around the world have seen medical errors reduced in staggering ranges of 60% to 80% when automatic identification is applied. The significant safety implications have not been lost on Canada's patient safety authorities. The Institute for Safe Medication Practices Canada and the Canadian Patient Safety Institute have jointly endorsed and adopted GS1 global standards for automatic identification of medication in Canada. In fact, tomorrow there will be a press conference and an official announcement of their intent to support GS1 standards through the Canadian Pharmaceutical Bar Coding Project.

In Topeka, Kansas, the VA Medical Center reduced medication error rates by 86% over a nine-year period. These results are so important that industry is advancing them to governments worldwide as an indication of the need for industry-wide adoption of global standards in the health care supply chain. I am here today to confirm that the focus on standardization of the health care supply chain is consistent with this government's current priorities and also aligns with activity being taken in the health care sector around the world.

Committee members, GS1 Canada applauds the government of Ontario for its leadership in driving efficiencies and cost savings across the health care sector through its involvement in phase 1 of the Canadian health

care supply chain standards project. I would like to stress the critical importance of continued focus on supply chain efficiencies in health care so that GS1 Canada and the Ontario health care sector can continue this important work and deliver the benefits to you and all Ontarians. The world is moving in this direction, and the government of Ontario has already been at the forefront.

I thank you for this opportunity and welcome any questions.

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

Mr. Michael Prue: You haven't asked the government for anything here. You just want the government to continue doing business with you? Is that what this presentation is about?

Ms. Alicia Duval: We actually have asked the government. Through the Ministry of Finance and the Ontario Buys program, they funded and supported phase 1. We are now implementing phase 2, which is focused on the implementation of the standards that were developed in phase 1. So we have an active proposal with Ontario Buys at this point.

Mr. Michael Prue: What are you asking the committee to recommend?

Ms. Alicia Duval: We're asking the committee to recommend that the whole issue of policy, as well as supporting decisions that are made within the health care sector, support and consider standardization in the process. We are not here to say that health care is not automated and sophisticated; it's just not reaping the benefits to the level of other industries or what the potential is for health care because it's all done on proprietary structures.

The health care system is not based on standards like other sectors, the most common that you're used to being the grocery industry. So when decisions are being made about investments and back-end systems like ERP systems at the health care level, these are critical steps of driving those efficiencies as long as they adopt standards when they implement. That is the trend that we're starting to see now: The health care system—not only within Ontario, but across the country; our board is representative of all the provinces—is saying, “Now is the time that we need to be interoperable within Ontario.”

From a budgeting perspective, it's to have an appreciation for the role of standards, the role of automation. We have many different projects that are under way right now. I already mentioned the Public Health Agency; it's about immunization traceability. We make sure we're not double-immunized or bringing on too much inventory that's wasted. They're asking for bar codes and clean data.

We're working with ISMP, who have clearly identified that we need to invest in having bar codes on our patients, and we need to identify product and procedures before they happen so we avoid medical errors. They're asking for things like barcoding and clean data as well.

Everyone is asking for the same information, but for different purposes. Our supply chain standards project—which the Ontario government took a leadership position

on and initially funded 70% of the proposal, and the remaining provinces at the initial mark contributed the remaining 30%—created a program that's really focused on the business side of health care.

Health care brings in. You buy a lot of product, and you could be overbuying or not having product at the right time and putting risk on the patient's life. Through the supply chain standards project, we have been able to get all the stakeholders, meaning hospitals, manufacturers, group purchasing organizations and the solution-providers, working with us at the table to say, "We now need to sing from the same song sheet and adopt standards so we can drive the efficiencies and the cost savings, as well as patient safety."

The ask would be to support the next phase, which is focused on implementation. Like I said, that proposal right now is with the Ontario Buys project.

Mr. Michael Prue: When you were giving your statement, your statement deviated from the text. You said that there were over five billion business transactions each year—

Ms. Alicia Duval: Sorry, each day. That's my faux pas. It's each day. Thank you for catching that.

Mr. Michael Prue: Okay, each day. I was thinking that's not a lot, five billion a year, considering how many people there are in the world. That would come out to about one a year per person. So it is per day.

Ms. Alicia Duval: It's per day.

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

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

1010

CO-OPERATIVE HOUSING FEDERATION OF CANADA, ONTARIO REGION

The Vice-Chair (Mrs. Laura Albanese): We'll now invite the Co-operative Housing Federation of Canada, Ontario region, to come forward. Good morning.

Mr. Harvey Cooper: Good morning.

The Vice-Chair (Mrs. Laura Albanese): You will have 10 minutes for your presentation, and that will be followed by up to five minutes of questioning by the government side.

Mr. Harvey Cooper: Thank you. My name is Harvey Cooper. I'm the manager of government relations for the Co-operative Housing Federation of Canada. Unfortunately, our president, Amanda Yetman, is ill and can't be with us this morning.

Thank you for the opportunity to make this pre-budget presentation to the standing committee on behalf of the more than 125,000 residents living in 550 non-profit housing co-operatives across Ontario.

Housing co-operatives are committed to playing a significant role in meeting the affordable housing needs of Ontarians. In our presentation we will focus our remarks on a few critical housing issues and practical

suggestions that the Ontario government should consider as it prepares its 2010 budget.

(1) Affordable housing: a fundamental building block for economic recovery. Ontario has a great deal at stake as this budget is crafted. The right choices will stimulate the economy, assist Ontarians, and leave behind a legacy of investments to ensure a sustainable and prosperous future.

It is important to realize that the lack of housing that the workforce can afford is actually a major roadblock to growth and investment in this province. Given the current economic challenges that Ontario faces, it is well documented that the construction of new affordable housing provides significant economic stimulus, creates jobs, has a large multiplier effect, uses locally made materials, and at the end of the day provides a very valuable public asset.

(2) Affordable housing as targeted infrastructure investment: Like transit, highway construction, hospitals, schools, bridges and sewers, affordable housing is a major capital component of Ontario's infrastructure. Queen's Park should recognize this importance by explicitly listing affordable housing, both construction and rehabilitation, as key sectors for infrastructure improvements and ensure that adequate funds are available to meet the need for major renovations and new affordable housing.

(3) Ontario's affordable housing strategy is urgently needed. The 2007 Liberal election platform promised to develop a long-term housing plan that would include a mix of non-profit and co-operative housing. I've provided you with a pamphlet we've produced on that strategy. Unfortunately, since the mid-1990s, a fundamental problem that has led to the current housing crisis in Ontario has been the lack of continuing housing programs. Instead, housing policy has taken an on-again, off-again approach that has offered no certainty as to the government's long-term intentions for housing.

The federal-provincial affordable housing program, launched in the fall of 2001, has always been seen as more of a stopgap measure rather than a long-term vision for housing. This will have to change if Ontario is serious about its commitment to a long-term plan. Our organization has submitted a detailed brief to the province with a number of recommendations on the long-term strategy. I have additional copies of that for any MPPs who may be interested.

Affordable housing should be considered a core community need and therefore a central government program, just like health or education, and that housing program needs to be funded each and every year.

The federal government has been active in the funding of housing programs for many years. Although it no longer delivers programs directly, Ottawa works with the provinces through a number of vehicles, all of which feature capital grants.

To make the case credibly to the federal government that it should continue its historic role in supporting

affordable housing, the province will need to make a clear financial commitment to playing its part.

(4) Building new affordable homes: A key finding of an annual housing report that we co-produce is that over the next 10 years, we need 10,000 to 12,000 additional homes annually. Since 1995 in this province, we have averaged only about 2,000 units a year. The need for more affordable housing is urgent and is growing. According to the December 2009 report of the Provincial Auditor, current municipal social housing waiting lists stand at 137,000 households.

The McGuinty government had a late start in the affordable housing arena in its first term and only began matching federal funding in 2005. According to the Ministry of Municipal Affairs and Housing, as of late fall 2009, about 13,000 new rental, supportive or ownership units had been occupied, were under construction or were in planning approvals.

While any new construction is welcome news, particularly after a gap of almost a decade under the previous provincial government—the Conservative government—the number of new homes built falls well short of what the Liberals promised in their platform in the 2003 election. At that time, they pledged 20,000 affordable units, plus 6,600 supportive units to be constructed in their first term.

A supply program of 8,000 new affordable homes per year would be a reasonable target for the province to budget for and achieve. Co-operative and other forms of non-profit housing are a best buy for the province. These models have a proven track record of providing a supply of permanently affordable housing, and creating stable, mixed-income communities throughout Ontario. Unfortunately, the way the current affordable housing program is structured, co-operatives have been largely shut out.

(5) Housing that is affordable: While we have a shortage of affordable units in Ontario, we also have a growing affordability problem for many, many households. Shelter costs constitute the largest regular expense for most families and individuals. The province's recent poverty reduction strategy acknowledged that housing is a core contributor to exacerbating poverty issues. Excessive housing costs simply crowd out the other necessities of life for many.

The province should ensure that any new housing supply programs penetrate down to levels of affordability for low-income households. The affordable housing program hasn't achieved this. Some of the units are rented at a below-market rate, but rents are not adjusted based on income or for those who most need the housing.

Currently, there is little in the way of housing assistance for the working poor. Lengthy waiting lists and subordination to priority need often preclude access to the many Ontarians who are desperate to find a home they can afford. Recent housing allowance programs have generally been short-lived and narrowly targeted, excluding many in need. One very cost-effective way for the province to increase affordability for qualifying households would be to take advantage of the existing

supply of rental units in co-op, non-profit and private sector buildings and offer rent supplements to these landlords.

(6) Protecting existing community-based housing: The long-term viability of much of Ontario's social housing stock, now administered by the municipalities, is at serious risk. Most of these buildings are 40 to 50 years old. The province is to be commended for steps it took in the 2008-09 budget to begin refurbishing our aging social housing infrastructure. The social housing renovation and retrofit program introduced in 2009 provides for \$1.2 billion in combined federal and provincial funding over two years. This funding is both welcome and, I will say, extremely significant. However, as valuable as it is, unfortunately, the program provides one-time funding and still will not come up to making up the shortfall or providing a long-term solution. One significant low-cost step the province could take would be to allow co-ops and non-profits to borrow additional funds against their equity for capital repairs. The province should attach some urgency to making changes to give housing providers this borrowing capacity. Mortgages could be extended. Queen's Park could also provide reduced-rate loans for capital repairs through Infrastructure Ontario.

(7) A stand-alone Ministry of Housing: Having a minister with sole responsibilities for housing would play a profound role in moving forward the yardstick for the affordable housing agenda at Queen's Park. Since 1995, the housing portfolio has been combined with the area of municipal affairs, the latter responsibilities dominating the time of the minister. While this has been the case for the past 15 years, it was not always so. Historically, when housing was a key priority in this province, there was a stand-alone Minister of Housing. From the early 1970s to the early 1980s, and from 1985 to 1995, during the Peterson and Rae eras, the province had a full-time Minister of Housing. Not coincidentally, it was during those periods that Ontario made historic strides in building new homes.

In conclusion, co-operative housing in Ontario is a well-documented success story. For almost four decades co-ops have provided good-quality, affordable housing owned and managed by the members who live there. We feel that some of the key housing directions the province should signal in its 2010 budget are clear. Affordable housing construction should figure prominently in Ontario's efforts to revitalize the economy. The province should ensure its housing strategy recognizes affordable housing as a core government program. An effective strategy must also address the need for more units affordability, and build a mix of housing, including co-ops. The urgent need for refurbishment of the deteriorating social housing infrastructure should be addressed. And creating a stand-alone ministry would send a potent signal and significantly improve the province's capacity to move forward on affordable housing.

1020

We are anxious to roll up our sleeves and work with the government and MPPs of all parties to ensure that every Ontarian has a decent place to call home.

Once again, we want to thank the members of the committee for giving us the opportunity to express our views today.

Interruption.

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

Before I turn it over to Mr. McNeely, I would like to remind all members and anyone present to please silence their cellphones and other electronic equipment. Thank you.

You can begin your questioning, Mr. McNeely.

Mr. Phil McNeely: Thank you, Mr. Cooper, for making the presentation today. I'm from Ottawa-Orléans and we don't really have a lot of co-operative housing in Orléans, but we have some. One area specifically—the name escapes me now, but I visit there very often—I just like the concept. I think it's a great concept and I think it's been very successful. In that case, it's about 150 units.

I'm just wondering if you might tell me why—I always hear from co-operative housing that it's a concept that is not supported to the right extent that it could solve a good deal of our social housing problems.

Mr. Harvey Cooper: Thanks very much for those comments and that question, Mr. McNeely. We're proud to have two co-ops in your riding of Ottawa-Orléans.

I guess part of the difficulty of why we haven't seen a lot of co-operatives built in the last number of years is the way the current affordable housing program is structured. Without getting into a lot of the details, it's a cost-shared program between all three levels of government. There certainly isn't priority given to building a mix of housing.

I guess the biggest stumbling block and why we don't feel there's a level playing field out there is that the proponents who make application to build new housing under that program are expected to bring some equity to the table as well. So by and large, a lot of the housing that's been built—and there's been some very good-quality affordable housing built under the affordable housing program—is from private developers who can assemble land and frankly have more equity to look at the long term in terms of a return to their investment. Some of the larger municipalities have tended to have their own housing companies develop a number of the units, or some of the perhaps larger private non-profits that are well established have a large number of units and either bring land to the table—some of the church groups do that—or actually have people who they're paying to do a lot of the legwork. That's their form of equity contribution.

In co-operatives' cases, each and every co-op is an independent, community-based corporation. The average size is about 80 units. I think the strength of the model is that it is community-based, small-scale, and each co-op has its own board of directors made up of residents who live there, but we don't have a lot of equity.

What we're asking for under the new program is for the province, particularly as part of a long-term plan, to ensure that a mix of housing is produced. Historically,

about one in five units that were developed under previous provincial and federal programs from the early 1970s to the mid-1990s were housing co-ops. We would love to return to those levels.

Mr. Phil McNeely: I was at two long-term affordable housing strategy sessions in Ottawa with Minister Watson and then with Minister Meilleur. We shared those. Did you make presentations there, and what was the reaction you got? I know that the reaction will be in the report, but what was the reaction you got? Because that was one of the areas that we're looking at to find new ideas that work well. While yours is not a new idea, it's an innovative approach to affordable housing.

Mr. Harvey Cooper: I was at that session in Ottawa. It had 300 people—the one with the tent that Mr. Watson held. I attended and our members attended probably proportionally—there were 13 official sessions around the province. We had co-op members out to all of them in great numbers because they're very interested in these issues.

We've made a very detailed submission to the province on this point. We've met with Minister Watson. We look forward to meeting with Minister Bradley, who, by the way, is a strong supporter of affordable housing. There are 12 co-ops in his riding. We look forward to that strategy coming out and ensuring—there's a whole host of things that could be done, one of which is, let's build a mix of housing that serves many different needs, and co-operative housing should be part of that mix. We dearly hope that will be part of the strategy, and I mentioned it as well in the pamphlet we handed out to MPPs this morning.

Any good words that you can put in to the minister and amongst your colleagues in terms of wanting to see a variety of housing produced in your riding and across the province would be very much appreciated.

Mr. Phil McNeely: Thank you very much for that, and those are all my questions.

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

HOME OWNERSHIP ALTERNATIVES NON-PROFIT CORPORATION

The Vice-Chair (Mrs. Laura Albanese): I would now call on Home Ownership Alternatives to come forward.

Mr. Joe Deschênes Smith: Good morning.

The Vice-Chair (Mrs. Laura Albanese): Good morning. You will have 10 minutes for your presentation, and if you could, please state your name before you begin for the purposes of our recording Hansard.

Mr. Joe Deschênes Smith: Of course. Thank you. I'm Joe Deschênes Smith. I'm vice-president of partnerships at Home Ownership Alternatives. We're a small, non-profit agency that finances affordable ownership housing developments. I think it's timely that I'm following Harvey's presentation from the co-ops. We don't see ourselves as competition, but as one section of the

continuum of housing that's necessary. Certainly we're very supportive of Harvey's and the co-ops' calls for support for that type of housing. We are also members of BILD, which is the land development industry, and we work closely with them in terms of private and for-profit development.

We fill a niche that we think is very important, working to provide low- and modest-income families, working families, with an opportunity to purchase a home. We do that by financing developments. We've accomplished that with about a dozen projects so far. We also provide those home purchasers with an alternative second mortgage which helps with affordability because it's payment-free until resale of the home. In these times, when a lot of blame is given to the economic situation in the United States and to sub-prime mortgages, we consider ourselves the anti-sub-prime mortgage because we actually lift some of the borrowing burden off families and increase their ability to purchase a home.

One of our main goals is to help middle-class Ontarians, I think most of us here, to own a home. By supporting broader home ownership, you can help meet our province's priorities: job creation, economic stimulus, family equity growth and also poverty reduction. I want to take a moment and list five items that back that up:

(1) Housing construction is demonstrated to have a large economic multiplier effect, and I think that's why the federal and the provincial government both concentrated on that in their last budgets.

(2) Research studies indicate that home ownership can lead to better health and education results.

(3) CMHC has studies showing that owning a home is Canadians' number one asset and that owners can quickly grow their equity in that home; 40% in five years is what one presentation from CMHC demonstrated recently.

(4) Building family equity is an important aspect of the poverty reduction strategy that the province is under-taking.

(5) Increased home ownership rates for low- and modest-income families can reduce the burden on rental housing programs and also indirectly increase the stock of available rental housing. I believe that, dollar for dollar, if you look at government investment in affordable ownership housing, it is the cost-effective way for you to broaden access to affordable housing.

I know the committee realizes the importance of housing to Ontarians and the economy. We certainly applaud the province's accommodation of the building industry's concerns around the HST, the extension recently of the affordable housing program and the commitment in the spring to deliver an affordable housing strategy. We did make formal submissions to that strategy and I want to highlight three of the recommendations in that proposal, which is in the package I distributed to you, and for you to consider them for the 2010 budget.

First, in the 2008 budget, the province expanded the mandate of Infrastructure Ontario to include financing for affordable housing. This has been a success. We know from first-hand experience this measure has saved our development in Guelph \$1 million in financing costs, resulting in savings for 124 families of over \$8,000 per family. We recommend that the province further expand the scope of Infrastructure Ontario financing to support affordable housing. This recommendation will not impact the province's operating budget, which I know is a concern of yours and of all Ontarians.

1030

Recommendation number 2: The province should set a target for the sale of surplus government land for affordable housing. This recommendation will improve the province's budget position. By setting a definite target, such as selling sites to build 1,000 new affordable housing units at a modest land price of \$10,000 a unit, the province could raise \$10 million. To support affordable housing, we would recommend that the province provide priority access to that land to non-profits dedicated to affordable housing and provide greater flexibility in the purchasing terms for those lands. There are many potential sites available, including in Seaton, north Oakville, Waterfront Toronto and surplus school board sites located in every town and city across the province.

Our third recommendation that I'd like to highlight for you is for the province to introduce a tax credit for low- and modest-income families to purchase a new home. We recommend tax credit eligibility for all government-imposed charges and fees, such as development charges, building permits etc., that are built into the cost of building a new home. This recommendation will bring greater fairness to the application of those government charges and fees, which are currently paid by all new home purchasers regardless of their income or the house price.

Such a tax credit would benefit lower-income families and help expand the housing market with additional new purchasers. The targeted tax credit for new homes would provide local price thresholds and would encourage developers to build at the low end of the market, where there is the greatest need. And by providing leadership on this issue, the province will increase pressure on the federal government to provide a similar or the same tax credit to build on its own recently introduced credit, which deals with refunding of legal and other costs.

The budget impact of this recommendation, I believe, would be modest. If targeted to families with incomes below \$40,000 a year and with appropriate limits on unit price and fees eligibility, I would suggest that 5,000 low- and modest-income home purchasers could receive this one-time support to purchase a home. I estimate the cost would be \$8 million. This does not take into account the tax revenue increases resulting from greater construction activity.

I think these three modest recommendations would be either revenue-neutral or positive in terms of the province's budget. They can help you stimulate the econ-

omy and provide new jobs as well as support middle-class families to fulfill their dream of owning a home.

Modest incentives for affordable home ownership offer a “policy sweet spot” for you. There are no new long-term operating costs associated with home ownership. There would be no large capital grants involved in these initiatives. It would leverage the provincial borrowing capacity through Infrastructure Ontario. It would extend our partnership with the building industry to build low-end-of-market housing. And targeted support to low- and modest-income families would help them create equity and reduce the potential for them to enter into poverty.

Thank you for your time and for listening, and I welcome any questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your submission. I would now turn to Mr. Shurman for questions.

Mr. Peter Shurman: Thank you for an interesting presentation. It’s refreshing to hear someone come forward and say, “We have an alternative that doesn’t have to put a net cost on to the provincial budget, and we’d like some push in terms of things like tax credits that could help us.”

I just really want to get on the record and say that I believe that if you think you can do this in this way, on a go-forward basis, that’s a good thing, because it does help the bulk of families who are middle class, from the description that you give it, and it does prioritize something that we see as paramount, and that is to address the poverty issue. My perception of the poverty issue is to keep additional families from becoming victims of dropping below the poverty line and losing the homes that they have, so thank you for that presentation.

Mr. Norm Miller: I just have one quick question, if I can. Your one suggestion is to sell surplus government land for affordable housing to non-profits. Have you thought about the way you would go about doing that? Would it be a competitive bidding process? Any suggestions on that?

Mr. Joe Deschênes Smith: In our detailed submission, we go into that a little bit. What I propose is that instead of having the land go to tender early in the process of declaring the land surplus, other levels of government are given the opportunity to say, “Hey, wait. We want to buy that land from you.” So if it’s surplus Ontario land, the federal or municipal government could purchase it, and vice versa.

What I would say is the province should step in and say, “That site would be good for affordable housing,” whether it’s their own or other levels of government. Instead of going to tender, let’s have a dedicated list of non-profits which have said they would like to purchase that and then use the same transfer mechanism you use between levels of government, and that is to get, I think, two or three independent assessments and then negotiate a price and do it that way.

So you take away the high-pressure tender process. You take away the strength that the for-profit sector has

in going into a tender process, which is showing up with a lot of cash and being able to buy them up.

You would have to instruct ORC not to make maximizing revenue on the sale of lands its number one priority. I think you would also have to change the terms of the sales. Normally, now, they look for 100% cash payment within 60 days. When we look to do a development, we usually ask for a vendor-take-back mortgage and maybe pay out, after certain conditions are met, after 12 or 18 months. If ORC would do the same type of thing, it would allow us and our development partners to then purchase those sites with less risk exposure. The province would assume a bit of risk that the sale might not finally go through and they’d have to sell it again later, but I think that’s acceptable and it would allow us to get some of those prime sites into affordable housing hands.

Mr. Norm Miller: I know Toby has a question.

Mr. Toby Barrett: Further to using surplus land, you mentioned ORC, hydro land and, I imagine, school board land, for example—although school boards would want to get a maximum return as well, if they’re selling off surplus land.

I think of a model in northern Ontario, Elliot Lake, one of the few towns in northern Ontario that’s expanding rather than contracting, a town that has a need for housing rather than a surplus of housing. In that case, as I understand it, the municipality is in the business of being a not-for-profit real estate developer. They make arrangements to access crown land, forest land adjacent to Elliot Lake, and play a very large role in developing new subdivisions, if you will, for their modestly growing population.

Have you worked with other municipalities? Are there other models like that? Would that work elsewhere in the north, perhaps?

Mr. Joe Deschênes Smith: Yes. We’re building right now—it’s under construction in Guelph—on a surplus school board site, which we accessed through a municipality. The municipality, at the time that the school board declared it surplus, said, “No, we will use that site and purchase it from the school board.” Then our local developer purchased it at market value from the school board via the municipal intervention, I guess, to protect it for affordable housing. There are 124 townhomes being built there. That’s the project where we successfully had Infrastructure Ontario funding come in, saving those families a million dollars in financing costs they would otherwise have had to fund.

We’ve worked in the Golden Horseshoe—Toronto, Pickering—in the Kitchener-Waterloo-Guelph area, and now we’re entering into just south of Ottawa. We haven’t done anything in northern Ontario and we’ve never done anything with respect to crown lands in our past.

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

Mr. Joe Deschênes Smith: Sorry for going too long.

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

Mr. Joe Deschênes Smith: Thank you.

CANADIAN UNION
OF PUBLIC EMPLOYEES

The Vice-Chair (Mrs. Laura Albanese): I would now call on the Canadian Union of Public Employees to come forward. Good morning.

Mr. Fred Hahn: Good morning.

The Vice-Chair (Mrs. Laura Albanese): You will have 10 minutes for your presentation. That could be followed by up to five minutes of questioning by Mr. Prue, NDP. If you could please identify yourself before you begin.

Mr. Fred Hahn: Thank you for the opportunity. My name is Fred Hahn. I'm the president of CUPE in Ontario.

CUPE Ontario is the voice of nearly 220,000 public service workers in the province, people who work the front lines in hospitals, municipalities, utilities, long-term-care facilities, social service agencies, schools and universities.

Our main message is that the 2010-11 Ontario provincial budget has to focus on job creation and not succumb to deficit mania.

1040

There have been fundamental changes in Ontario's economy and our members believe that the government needs to fundamentally change how we approach these kinds of economic challenges. We're not here to ask people to turn back the clock, but we are here to talk about how to respond to challenges in a way that will help the people of Ontario.

It's time to embark on long-term strategic projects that will create the Ontario of the future. That means making strategic investments in creating a green economy, investments in economic recovery based on long-term environmental and socially sustainable goals. Paying down the deficit won't create good jobs, but creating good jobs will pay down the deficit.

We urge the government to fight the recession in this budget. That means focusing on job creation. Ontario's official unemployment rate is something like 9.3%, but the real unemployment rate is closer to 15%. The recession isn't over for most of the people in the province of Ontario, but already alarm bells are ringing about debts and deficit. Corporate profits have started to rebound in the third quarter of 2009, but suddenly we start to hear the cries for a cut to public spending and for bringing the deficit under control. The very people who wanted and needed stimulus spending when profits were down are calling for cuts to public spending now that they begin to see profits again. We must avoid the mistakes of the past. Corporate and individual tax cuts over the last 15 years have severely constrained Ontario's fiscal capacity. The ongoing effects of tax cuts in the 1990s have reduced Ontario's revenue by approximately \$15 billion in 2009-10.

When we talk about job creation we need to be clear about green jobs. Green jobs are jobs that contribute to an environmentally and socially sustainable economy in all

communities across the province. They're good jobs that have decent pay, benefits and pensions, and they are in traditional and new occupations. They're supported by education, training and child care services.

Investments in energy efficiency create the most jobs and result in the greatest amount of greenhouse gas emission reduction for the dollars spent; it's the biggest bang for our collective buck. In 2010-11, the budget needs to kick-start projects to retrofit the province's own buildings and facilities and to provide funding for municipalities, universities, social service agencies and health care facilities to do the same.

The second most effective investment in green jobs to create jobs and to reduce greenhouse gases comes through investment in transit. We believe that the government must overturn Metrolinx's plans to build transit through expensive and unaccountable public-private partnerships.

The Green Energy Act creates tremendous opportunities for local distribution utilities to partner with municipalities and hospitals and many other public facilities. It's important to point out here that the benefits of renewable energy must go to the public good, not only to increase profits for the private sector.

Finally, Ontario must oppose interprovincial and international trade agreements that would limit our collective capacity to require or encourage local sourcing or hiring, which is good for local economies.

Along with the predictable call to cut government spending come calls for the privatization of critical public services and the sale of valuable and important public assets. Asking CIBC World Markets and Goldman Sachs to determine the value of public assets and advise on whether they should be sold is like asking the fox what we should do with the hens. There's no doubt that those who contributed to the financial crisis that we're in as a province will recommend more of the same medicine that got us sick in the first place. The answer to the recession is not to sell off public assets but to use the revenues they provide in order to provide Ontarians with the public services they need. The Highway 407 saga shows us that selling off assets in order to shore up short-term deficits is not sustainable. Fire sales of assets may enable governments to post budgets that look balanced on paper, but they do nothing to increase our capacity to serve the people of Ontario. Not only do public services meet badly needed community and social needs, but they also deliver the strongest possible economic stimulus.

In our submission, we have a chart that clearly documents the effects of investments versus those of tax cuts. For every \$1 billion of public investment in social infrastructure like health care, education and social services, there's a two to three times creation of jobs and positive impact to the economy, as opposed to tax cuts. Our research data and much more is included in our written submission. We're no further ahead if, after stimulus spending, there's some job creation in the private sector but we lose jobs in the public sector.

The vilification of public sector workers only creates an atmosphere of fear. It divides the people of the

province. We need to be pulling together at this economic time. Public sector jobs, the wealth they create in communities and the economic backbone they form in many communities are part of the solution, not the problem.

In health care, hospitals are cutting beds; some are being shut down, and patients will suffer. The real need and focus needs to be on patient care, not on funding management infrastructures like LHINS or on P3 projects. Long-term-care funding needs to be carefully studied and increased. We have an aging population, and we can free up hospital beds now taken by people who have more acute needs.

Child welfare, mental health services and child care are on the verge of a crisis, but they're too important as poverty-fighting measures. It has been documented many times that children's social services are the first and best defence for children and their families in the struggle against poverty.

Core funding to post-secondary education is critical in an economic downturn, especially when many people are trying to retrain or upgrade their skills and qualifications. The government must use post-secondary education as a lever of economic change rather than encouraging privatization or increasing tuition fees. Our aim should be free tuition for post-secondary education.

Municipalities aren't able to fund the services they need for their residents. Social services costs, as an example, will climb dramatically this year, but only 3% have been uploaded. This leaves municipalities in the lurch.

School boards are facing many challenges, including declining enrolment. This has to be addressed comprehensively, but the government needs to work with local school boards to think about how public assets in schools and property can be converted to the public good—for community centres, job retraining centres, etc.

The 2010-11 Ontario budget has to be about jobs. I said it before; I'm going to repeat it: Paying down the deficit won't create good jobs, but creating jobs that will put money into the economy of this province will pay down the deficit.

I want to close by talking about an example of the early learning program that is a good example of a long-term public investment being proposed by the government. Once this program is fully implemented, there will be clear economic and social benefits. But there are also negative impacts, depending on the how the rollout of the early learning program will progress. Taking four- and five-year-olds out of municipal and community-based centres means that they're at a real risk of losing spaces in communities that need them the most.

I want to talk to you about Windsor, because just last night, after hearing from hundreds of citizens opposed to a plan to close seven municipal centres, the municipal councillors there voted to do just that. City government has said clearly that one of the reasons they can propose this massive change for the people of their city is the implementation of the early learning program. The Pascal

report, which called for the implementation of this program, clearly proposed stabilization funding for municipalities, and that's yet to be announced. What that means is that municipal governments are left in the lurch and families that need child care more than ever in order to participate and get back into the economy are left without services.

This is an example of a bad and likely unintended consequence that can occur when fears over public investment hamstring our collective ability to do what we know we need to do for families in the province of Ontario.

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

Mr. Fred Hahn: Our union wants to work on long-term strategic planning with the government, and we know that means we can't be engaged in quick fixes.

I want to thank the standing committee for the opportunity to present our suggestions for this year's budget.

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

Mr. Michael Prue: Thank you. What's happening in Windsor is disturbing. How many child care spaces is the city council proposing to shut down?

Mr. Fred Hahn: There are seven municipal centres all across the city. I'm not sure of the actual numbers, but the devastation will be large because those centres are critically important and they serve children who often cannot be served in other parts of the community—in some of the not-for-profits, even—because of issues of ratio and funding. There are issues of subsidies for low-income parents and parents who are trying to be retrained in order to go back to work. In a community like Windsor, which has been devastated in the current financial climate that we're in, it's absolutely a devastating potential loss.

1050

Mr. Michael Prue: I just want to get this clear. Because the province is proceeding with all-day kindergarten, then the city is about to lose or will lose all of its daycare spaces or most of its daycare spaces. So the parents will be no better off, and they'll be way worse off if they have two- and three- and four-year-olds.

Mr. Fred Hahn: The municipal government is cited for part of the reason why they're doing this, why they're proposing the implementation of the early learning program. We think that's a bad, unintended outcome. The reality is, what that municipality and other municipalities need is clear direction from the government that there will be stabilization funding for those spaces that municipalities operate and that, as we transition to this very good program that will expand care for kids who are four and five, families with kids under the age of four won't lose spaces in communities. That's what is needed.

Mr. Michael Prue: That's what is needed. Okay.

Secondly, because I've only got five minutes here, you talked about CIBC, that the hen among the chickens is going to recommend how much to sell our asset for: the

Liquor Control Board, Ontario Lottery and Gaming, Ontario Power Generation, Hydro One, all those things.

We had a presentation yesterday that, in order for this to make financial sense to the government, those assets would have to be at a minimum sold for \$72 billion. Because of the amount of revenue they bring in, that's the kind of sale that we could put back into bonds at 4% or 5% to get the same revenue.

What are you afraid the CIBC is going to recommend? A fire sale, like the 407?

Mr. Fred Hahn: The reality is that there is money to be made on these assets. From our perspective, what the government needs to do is have every economic lever at its disposal in order to deal with the economic crisis that Ontarians are dealing with. Why we would sell assets that actually produce revenue for the government seems unconscionable to our members.

The reality is that the private sector is there to make money. That's their goal; it doesn't have to be a good goal or a bad goal. It's about profit for them. What the government needs to be doing is thinking about how we create collective revenue in order to make strategic long-term investments that will actually help the province and help the people of the province. Selling these kinds of things, even for that kind of money, if it were possible—and it's not clear that it would be—still diminishes the impact or the ability of government to have ongoing revenue from these vital services that, frankly, the people of the province already own collectively.

Mr. Michael Prue: The Liquor Control Board alone brings in \$3 billion or \$4 billion a year in profit, notwithstanding all the other good things that it does. You're saying that we can't do without that profit in the future.

Mr. Fred Hahn: We need revenue. The government needs revenue in order to conduct services, in order to make the kinds of investments we need to make in communities. Why it would sell assets that produce revenue for the government—just in common, everyday speaking; we're talking to people every day, to our members in communities across the province—doesn't make sense to anyone.

Mr. Michael Prue: There has been some debate around OLG—because, I think, it's been so poorly managed by the government—that this is a prime asset to sell off, because of some of the things that have happened in the past year. Do you share that this is a corporation that should be sold off?

Mr. Fred Hahn: If there are issues about the management of public assets, then it's the government's responsibility to deal with those issues. Again, this is an important economic lever that generates revenue. That revenue is important; revenue for the government to be able to have access to and to be able to control.

Mr. Michael Prue: You went on to talk—one minute?

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

Mr. Michael Prue: Oh. I don't think there's anything else. All I can say is thank you very much for your passionate presentation.

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

Mr. Fred Hahn: Thanks.

GREATER TORONTO HOTEL ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): We now call on the Greater Toronto Hotel Association to come forward. Good morning. As you heard, you will have 10 minutes for your presentation. Please identify yourself before you begin presenting. After that, there will be up to five minutes of questioning. The next rotation will go to the government side. You may begin.

Mr. Terry Mundell: Thank you very much, Madam Vice-Chair and members of the committee. My name is Terry Mundell and I am the president and CEO of the Greater Toronto Hotel Association. The GTHA is the voice of Toronto's hotel industry. We represent about 171 hotels, with approximately 34,000 guest rooms, 32,000 employees, and we actually host over 25 million visitors to the greater Toronto area a year.

It's a pleasure for me to be here this morning in front of the committee to present some recommendations for the 2010-11 provincial budget. Prior to providing our recommendations, I want to first frame the current global economic conditions and provide some perspective on the future economic opportunity for the travel and tourism industry for the greater Toronto area and Ontario.

After four years of worldwide growth averaging 3.6%, the World Travel and Tourism Council estimates that the travel and tourism economy's GDP contracted by 5.5% in 2009. Travel and tourism's contribution to the global GDP will fall to 9.3% from 9.6%.

Research conducted on the top 28 cities in North America reflects Toronto remaining in 10th position overall, at an average occupancy rate of 62.3%, down by 7.8% from 67.6% in 2008, and our daily rate reduced by 10%. Revenue per available room, or RevPAR, the standard by which the industry's business is measured, reports that Toronto ranks 13th in the top-28-city report, with a reduction in RevPAR of 17.1%, slightly above the Canadian average reduction of 12.4%. The report notes RevPAR reduction in New York City at the high end, at 26.3%, to the low end of 8.5% in Washington, with the United States averaging a 16.7% reduction. Vancouver, an interesting case study with the Olympics coming up shortly and all the activity and awareness of the destination, sits at sixth place overall, with a reduction of 13.9%.

Obviously this is a very, very difficult time for our industry, not only globally but in Toronto and Ontario. So the big question is, where do we go from here?

It's expected that in 2010 our business will remain relatively flat for global growth, yet there are those who are predicting that there will be 3% growth in the greater Toronto area. But good news is on the horizon, with the World Travel and Tourism Council predicting that long-term growth in the industry will be about 4% per annum

over the coming decade, which is a significant opportunity for us in the business.

This takes us back to Ontario, the industry in the greater Toronto area and the report prepared by former Finance Minister Greg Sorbara. This report, called *Discovering Ontario*, challenges the industry and government to change how they work together to develop tourism and foster economic growth. In fact, the study also set a target to double tourism receipts by the year 2020 to \$44 billion. The government currently is acting on some of the recommendations of the report, including the establishment of tourism regions in Ontario.

However, now is the time to move forward on other recommendations in the report. Improving the tourism investment climate in Ontario is an important first step.

The GTHA recommends that the Ontario government develop capacity within its economic development ministries to attract tourism investment, and that any efforts within the tourism ministry focused on investment attraction be linked to broader economic development activities. In short, we need to know who in this global economy invests in tourism product, what they invest in, what we need to do to attract them and how we get them to come to Ontario. This approach has to be proactive, targeted and focused on high-potential investments in key locations in Ontario, including the GTA. Investors must have a single point of contact into the government to facilitate an "Ontario is open for business" approach to tourism investment. Time is money.

The GTHA also recommends that the government, together with the tourism industry, develop milestones and interim goals that can be measured and create a success team that is accountable for delivering these goals and milestones and is held accountable for the investment. This team shall report publicly so the industry and government can measure success.

I would like to take this opportunity to thank the government for its investments in tourism attractions. Recent successes include the Pan Am Games in 2015, the International Indian Film Academy Awards in 2011 and the recent announcement of the Juno Awards coming back to Toronto. These wins demonstrate what the tourism industry and the province can accomplish when they work together.

Approved destination status with China provides a significant opportunity for Ontario and the GTA to attract more international tourists. This announcement should be viewed with optimism and with the knowledge that now is the time to invest in China, to ensure that Ontario is well positioned to succeed in garnering our share of the tourism receipts that come from China. We should not be content, though, with just getting our share. If we are to double tourism receipts, we need not be complacent but proactive: Set goals, measure success, establish accountabilities.

1100

GTHA recommends that the province of Ontario develop, with the tourism industry, a strategy to attract high-yield Chinese tourists to Ontario. This strategy

should be part of the province's economic development portfolio.

The GTHA also recommends that the government of Ontario provide \$20 million in this year's budget to be used to attract major festivals and events to the GTA and Ontario. This type of fund should be used only for those festivals and events that will provide an immediate and significant economic benefit to both the industry and the provincial treasury. GTHA also recommends that the province announce a process to request expressions of interest for the redevelopment of Ontario Place to turn it into a four-season attraction for Ontario and an economic generator. Now is the time to move forward on this project with a public-private sector partnership.

The GTHA would also like to take this opportunity to inform the committee of a potential problem for the business community. The Workplace Safety and Insurance Board was recently the subject of the Provincial Auditor's report. Concerns were raised over the unfunded liability of the WSIB as well as the current state of operations. Any increases to WSIB premiums are viewed by the industry as a barrier to creating and maintaining existing jobs. At a time when long-term injuries are decreasing, the business community will continue to strive for further reductions; however, rate increases will be a barrier to funding health and safety programs.

The GTHA recommends that the province of Ontario require the WSIB to not increase premiums for a period of two years, and that all non-core programs be evaluated for their cost and benefit to both the employer community and the employee with a view to reducing costs and overhead of this insurance program.

I want to thank the committee for their time today. I can assure you that our intent is to look to develop jobs and increase our business throughout the course of the next decade. Thanks for your time.

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

Mr. Charles Sousa: Thank you for your presentation. We appreciate your being here today. I presume that the Greater Toronto Hotel Association will now be part of the GTA tourist region, one of the many?

Mr. Terry Mundell: Yes.

Mr. Charles Sousa: You mentioned that you have how many member hotels that you represent?

Mr. Terry Mundell: We represent about 171 hotels.

Mr. Charles Sousa: And out of the 171, that would include, I presume, those in Mississauga, right? That would be part of this new GTA region?

Mr. Terry Mundell: Mississauga and Brampton both.

Mr. Charles Sousa: There's also a payment program now that they have to abide by or that's being proposed. How many of them participate in that now?

Mr. Terry Mundell: In the destination marketing fee itself?

Mr. Charles Sousa: Yes.

Mr. Terry Mundell: In the destination marketing fee, we would have about 125 hotels that are participating in the DMF right now.

Mr. Charles Sousa: Out of the 600, you say?

Mr. Terry Mundell: Out of the 170.

Mr. Charles Sousa: Out of the 170. I like the idea to attract some of those destination monies to invest in the GTA, and I appreciate some of the comments you made around the Pan Am Games, the film festival, the Indian film academy and the Junos. Anything more we can do in that respect is a super idea.

The ask you make of us is \$20 million, and presumably whatever costs are entitled to do this team success program. The \$20 million—you're looking strictly at festivals, presumably?

Mr. Terry Mundell: Festivals and events. The film festival was a great example of an opportunity for a 2011 piece of business that we were able to secure in 2009, but to bid those pieces of business you have to have the money to go forward. The Junos as well—same type of situation. So they can be festivals, they can be events. The Red Bull race in Windsor is a great example of another attractor. But those events which happen, again, in 2010-11 are significant economic generators for those communities and for the provincial treasury. So what you want to make sure is that these investments are not simply there to grab an extension of marketing opportunities for existing programs. They are actually to attract new core business in the short term so we can help to fund the operations of the government and all of those service Ontarians want.

Mr. Charles Sousa: And that's a good point. That's what I was getting at, the revenue that comes from this. In my region in south Mississauga we have the Waterfront Festival and the Southside jazz and blues festival, which bring in a lot of attractions, and it's always a challenge to try to fund and bid on some of those activities. That's why I was getting initially to that point about the destination funding, to see how we can get some of that revenue to match and offset some of these things.

Mr. Terry Mundell: We actually have a good relationship in Mississauga. They've been in our area for some time now, since 2004, when the destination marketing program was initially established.

Mr. Charles Sousa: My last question is in regards to Ontario Place. Your proposal—and we've had a lot of debate as to what we're going to do—is that it can be a great economic generator, that it's not being used throughout the four seasons. What's happening at this point?

Mr. Terry Mundell: I think now's the time, and we've had this discussion with governments for some time. The reality is, the opportunity along the waterfront to provide a four-season destination in the Ontario Place properties is significant. The reality of the beast, though, is that the province doesn't have the money, and we understand that. But there is, I think, an opportunity for a public-private partnership: Maintain the ownership of the park, of the land itself, but work with the private sector to

develop something which could be a four-season complex. With the work that's happened around Exhibition Place, the Direct Energy Centre, the opportunity in BMO Field, we've got to make that whole area more of a people place, and if you look at the work the waterfront corporation is doing on the east side, we need to do that on the west side as well. Ontario Place is the start of that piece. Now's the time.

Mr. Charles Sousa: I appreciate it. Thank you, Madam Chair.

The Vice-Chair (Mrs. Laura Albanese): I see that Mr. Arthurs would like to ask another question.

Mr. Wayne Arthurs: With the limited time we have available, Terry, good to see you. On page 2, there is a recommendation that government and industry work together to establish milestones and interim goals, and to create a success team to measure and be accountable and report publicly.

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

Mr. Wayne Arthurs: Can you take the minute or so we have left to expand or take us through it a little bit more? I'm a big fan of milestones and goal setting for the purposes of accountability.

Mr. Terry Mundell: The reality is that this is all about jobs and economic growth. That's the simple equation. That's what the province wants; that's what we want. The real question is, what are the correct milestones between today and 2020 that we need to set to be able to meet the jobs quotient and the economic growth that we want, remembering that 4% per annum over 10 years that the tourism industry will grow? There are not many industries in the global economy that are going to grow by that much right now. ADS in China is a huge opportunity. What we need is to sit down, do a plan, and understand what it is, and if we don't measure success, the study which the former finance minister did will become a shelf study and we will not drive our business. But this is an economic opportunity, folks, worth a decade at 4% a year. There's a lot of money on the table, and we can get more than our share.

Mr. Wayne Arthurs: And no question your industry has the expertise to bring to the table.

Mr. Terry Mundell: We're not afraid to participate. We want to participate. We want to work with government to get the job done.

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

Mr. Terry Mundell: Thanks for your time.

ONTARIO HOSPITAL ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): I now call the Ontario Hospital Association to come forward. Good morning. You will have 10 minutes for your presentation, and that will be followed by five minutes of questioning. We go in rotation. The next rotation will be with the official opposition.

Dr. Kevin Smith: Thank you. Madam Chair, members of the committee, my name is Kevin Smith. I'm the chair of the Ontario Hospital Association's board of directors. I'm also president and CEO of St. Joseph's Healthcare in Hamilton. With me is our president, Mr. Tom Closson, who is CEO of the Ontario Hospital Association.

We are here today, and we're grateful for the opportunity, to offer you a snapshot of today's hospital operating environment and to discuss what is necessary to maintain stability and indeed public confidence in our health system in the coming years.

In some ways, today's presentation has been in the making for the past 20 years. Since 1990, the last time Ontario's economy was wracked by a serious recession, hospitals have completely changed the way we provide patient care. In 1990, as an example, approximately 50,000 hospital beds were staffed and in operation; in 2008, that number had fallen to just over 30,000 beds, even though Ontario's population continued growing by almost three million people through that period. Due to changing how and where we care for patients, this success has been possible.

In addition, new medical technologies have made it possible to offer outpatient surgery to nearly 1.2 million Ontarians each year, which speeds their recovery, is safer for them, and is easier on their families. Technology has also helped immeasurably to reduce a patient's average length of stay, from 8.2 days in 1990 to 6.7 days in 2009. In addition, breakthroughs in telemedicine allow us to bring specialists' expertise to every corner of the province. New health policy thinking has led to a welcome shift away from high rates of hospitalization and toward providing as much patient care as possible at home.

Increasing public expectations related to quality and governance have driven our efforts to become more transparent and accountable, including the adoption of hospital service accountability agreements, annual audits by Ontario's Auditor General, and the OHA's call for freedom of information to be applied to hospitals.

Certainly, making these changes was not always easy for hospitals to implement or for communities to adopt. The net result, however, is a hospital system that is stronger, provides faster, safer patient care, and is the most efficient and productive in Canada when compared to the other provinces. I'd like to explore the last point for a moment.

1110

Hospitals' high level of efficiency allows the government of Ontario to fund them at a per capita rate that is fully 13.6% lower than the average of all other provinces. That in turn creates a \$2.5-billion efficiency dividend that government is able to invest in other priorities. This efficiency dividend increased by \$900 million in the past year, which is both a remarkable achievement and evidence of hospitals' ongoing commitment to driving further efficiency improvements.

Ontario hospitals' work over the past 20 years to become the most efficient in Canada has also led to

another positive and perhaps surprising result: In 2004, hospitals became the slowest-growing major cost component within Ontario's total health care budget, behind physician payments and pharmaceuticals. While hospitals' expenses growth rate is flattening, growth in other parts of our sector, particularly physicians, will increase rapidly over the next few years.

The work of maximizing the utility of every taxpayer dollar we receive is never done. Most hospitals in the province have adopted an informal goal of finding 1% in new efficiencies every year, and the Ontario Hospital Association believes that this goal is both reasonable and appropriate. To assist them and the government in bending the cost curve, the Ontario Hospital Association recently developed a paper that discusses some of the systemic changes that could be made to make our health system more sustainable. All of this work means that today, Ontario's hospitals are well positioned to weather the current economic storm.

Now I'm going to turn the podium to Tom Closson.

Mr. Tom Closson: Thank you very much, Kevin.

We've called on the government of Ontario to provide the hospital sector with a 2% increase in base operating funding for the 2010-11 fiscal year and an immediate return to providing multi-year targets thereafter. This increase should be exclusive of funding increases to cover growth in the population and demand related to that growth.

I should note that some additional support may be needed to assist a few hospitals that have what we call significant structural deficits. The OHA also believes that in funding hospitals, it's essential to return to the use of a methodology that incents and rewards hospitals for being efficient.

A 2% increase for the sector is lower than the current rate of hospital salary and expense inflation, which we estimate to be at 3%. It shows that the Ontario hospitals recognize that our province has a financial challenge and that we want to be part of the solution. It is, in our view, the absolute minimum increase necessary to maintain health system stability and access to patient care. A 2% increase will in large part allow hospitals to protect access to patient care and preserve their ability to help the government meet its stated goals of reducing wait times for surgeries and wait times in emergency departments.

To be clear, if the hospital sector receives a 2% increase in operating funding, the basket of services that many hospitals offer will change and there will be changes to the hospital workforce. These changes are occurring as hospitals follow through with measures to improve their efficiency and operate within the 2% envelope. But as mentioned, we believe that hospitals can make these changes while preserving the stability of the health care system. However, the data we have seen to date strongly suggest that an increase of less than 2% in hospital operating funding would undercut the government's goals with respect to reducing wait times in emergency, undo much of the hard-won progress made to

date in reducing surgical wait times, and erode public confidence in the health care system.

At many hospitals, certain core patient services would be reduced, and in some cases, they may well be eliminated completely. This would be particularly serious in northern Ontario, where geography and a lack of community-based services have made hospitals the default hub of the local health care system. Large numbers of hospital beds would need to be closed, and our hospital system operates right now at nearly 100% capacity.

On another point: Last month, almost 5,000 Ontarians were waiting in hospital beds for a long-term-care bed or to receive community services, and these services are also backlogged. These particular problems for alternate-level-of-care patients, as we call them, are most acutely felt in northeastern Ontario and central Ontario.

To put this in perspective, 745 patients are waiting in hospital emergency departments for a medical bed to become available. These numbers are increasing, particularly in the greater Toronto area, where a rapidly growing population is already straining the health care system. A reduction in hospital beds would make it impossible for many hospitals to house alternate-level-of-care patients while offering timely surgery and shortening wait times in the emergency department.

I should note here that hospitals' ability to manage these pressures depends in many ways on the community health sector, which is facing the same fiscal challenges that hospitals are. The Ontario health care system is very interconnected. Funding or policy decisions that affect capacity in the community, specifically a decision not to continue expanding home care services, for example—whether initiated at the provincial or regional level—will have significant consequences for the entire health system. For that reason, it's important for government to test funding and policy options related to specific parts of the health sector against system-level imperatives before decisions are made.

I should note that an increase of less than 2% would also deepen hospitals' working capital deficits, which will make it difficult for hospitals to pay their bills in a timely manner. The issue of working capital has not yet been resolved by government, notwithstanding a commitment made in February 2004 to do so. We continue to strongly encourage the Ministry of Finance to establish the working group that is needed to move forward with addressing this major hospital financial problem.

The important thing to remember is that what I have just described is a scenario, one that we hope does not come to pass. The government fully understands the challenge an increase of less than 2% in operating funding would pose to Ontario's hospitals and the health care system. Ultimately, during these unprecedented times, the government and the hospitals share the same vital objective: to avoid actions that will significantly reduce access to patient care. I'm confident that they will work with us, as they have in previous years, to protect access to health care services that Ontarians expect.

We'd be happy to answer your questions.

The Vice-Chair (Mrs. Laura Albanese): I want to thank you for that presentation. Mr. Shurman.

Mr. Peter Shurman: Thank you for an interesting presentation, gentlemen. I have only one focus, and my colleagues would like to get in as well.

In my area, I've got one hospital that serves the entire community, at least for now. In a recent visit, just before the end of the year, I saw with my own eyes a pretty modern, well-run organization with 34 beds absolutely closed. That's before we get into the fact that they've got an entire floor of ALC beds. They've got 34 beds closed because they're not funded.

A really brilliant young director of the emergency unit, which is second to none, showed me a real-time computer display of wait times and literally begged me to do what I could in this process to see if we couldn't get those 34 beds opened up so we could clear the emergency room.

That doesn't sound compatible with what you described. Can you comment on that, please?

Mr. Tom Closson: First of all, wait times in emergency are gradually coming down, but they're still at a very high level, particularly for the kind of patient you're talking about, the kind of patient who gets admitted to the hospital. Those patients, the 90th percentile or, let's say, 10% of them are waiting more than 29 hours, once they get to the emergency department, to actually get into a hospital bed.

In our view, the solution isn't in adding more hospital beds. The solution is creating more capacity in the community. We need better and more home care. We need assisted living arrangements for people and better access to places like retirement homes. We have 5,000 people in hospital beds who don't need to be there. They're the people we should be focusing on trying to get out. They'll get better care in these other settings, and it will cost a lot less.

Mr. Norm Miller: You're basically saying that health care funding has been increasing, but in the hospital sector it hasn't been increasing as quickly. I believe that's what you're saying.

I attended a deficit reduction meeting with Muskoka Algonquin Healthcare just a couple of weeks ago. One of the things that came up in the meeting—actually from a question—was to do with, I think, what you've illustrated in your working capital situation. An accountant in the audience asked a question about how much cash advance they had gotten so far in the year, and they were kind of surprised that in total, for the small organization, it ended up being \$9 million. Can you expand a bit on the working capital problem across the province?

1120

Mr. Tom Closson: Yes, I can give you some numbers. There's a gross working capital deficit. About half of the hospitals in the province have a working capital deficit, meaning their current ratio is less than one. The gross working capital deficit of those hospitals is about \$1.7 billion. There are about 30 hospitals in the province that have cash advances through the LHINs from the

Ministry of Health, and the cash advances are close to \$600 million at the moment. Without the cash advances, those hospitals wouldn't be able to make payroll and wouldn't be able to pay their bills.

This working capital issue, which has been going on for years—this is not a new issue; this year it's deteriorated somewhat—is something that we are asking the Minister of Finance to create a task force on so that we can come up with a shared solution between the province and the hospitals to try to work this working capital deficit down.

I will say that just in terms of increases in spending, I'm not suggesting that hospitals haven't been funded well over the years; in the last five years, hospital funding from the government has gone up just under 25%—five years, 25% isn't bad. Physician funding has gone up 56% over the last five years in this province. So the point we're making is that we've done pretty well in hospitals, but 2% base funding is about the best we can get by with this year without destabilizing the system.

Mr. Norm Miller: I know my colleague wants to ask questions.

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

Mr. Toby Barrett: Thank you, if you have a minute. I see the graph here, the alternate long-term-care bed graph with, I think, roughly 17% of patients who probably could be somewhere else or should be somewhere else. You've mentioned long-term care, rehabilitation and elsewhere.

Certainly over the last week and a half, this committee has received presentations from long-term-care organizations. To what extent has the hospital association or have individual hospitals been lobbying, if you will, on behalf of some of the other community organizations to better enable them to essentially take some of the load off hospitals? Do individual hospitals work through the LHIN system, or has there been much work done on that?

Mr. Tom Closson: I'd say the hospitals, the local health integration networks and all the providers are trying to work really closely together to address this problem and reduce the number of alternate-level-of-care patients. It's a complex issue. But we believe the answer is not more long-term-care-home beds, not more nursing home beds; we believe it's more home care and assisted living arrangements for people.

We have 75,000 long-term-care beds in the province and we believe that over the last 20 years, particularly the last 10 years, people have been admitted to them who probably didn't need to go there. If we had had enough home care or assisted living arrangements, they could have been cared for in a more home-like setting.

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

PEEL POVERTY ACTION GROUP

The Vice-Chair (Mrs. Laura Albanese): I will now call on the Peel Poverty Action Group to come forward. Good morning. You will have 10 minutes for your

presentation. Please identify yourselves before you begin for the purposes of our recording Hansard. You may begin any time.

Ms. Edna Toth: Hello. My name is Edna Toth. I am the chair of the Peel Poverty Action Group, which is an organization without income, paid staff, offices or headquarters. We purport to provide a safe place where people who have very little money can come and speak freely about what they feel is being done to them or what can be done to help them. Some of our members are homeless or precariously housed, and we thank the committee for this opportunity to present their views.

In 2007, Peel's homeless shelters housed 1,122 families, including 2,570 children. There were nearly 8,000 singles and 787 youth.

The figures have not improved over the past two years and in fact are worse, following layoffs in manufacturing, especially in Brampton. You will note that children may change schools two or three times a year because of housing problems, so their chances of academic success are not very good.

You should know that more than 600 people with intellectual challenges, a totally vulnerable population, are on the waiting list for housing in Peel region. These people, of course, need a lot more than housing in the way of supports.

Greg here, who has been homeless, will tell you that drug addiction, prostitution and desperation result from and lead to homelessness, yet despite the obvious mental health problems arising from homelessness, Peel region does not get its fair share of money from provincial or federal governments to provide support services either in mental health or in housing. Peel receives less than half the developmental funding per capita that other areas of Ontario receive, and this has been ongoing since, I think, the 1980s at least.

Peel Poverty Action Group therefore asks the committee to provide more money for new social housing, give Peel region a fair share of funding for social supports and establish new funding on a per-capita basis.

Greg?

Mr. Greg Yeandle: Hi. My name is Greg Yeandle. I work for Peel HIV/AIDS Network. It's a support group for people suffering with HIV. I do what's called the harm reduction part of it: needle exchange, dealing with the addicts on the street, people who are experiencing homelessness. I was asked last night to come here, just to give you guys sort of a street-level synopsis of what's going on.

It was interesting that the gentleman before us was stating how there are people in hospital who don't need to be in hospital. A lot of my clients that I deal with—just in the region of Peel and Brampton, I have over 30 clients. I can say that every single one of them, when the weather gets bad, has opted not to go for what we call three hots and a cot, which is copping a case, committing a crime and going to jail for the winter. Now what they'll do is they'll fake an injury or some of them will actually give themselves an injury so they have the hospital bed for the winter months.

We have no transitional housing in the region of Peel. We have no place for the addict to go to, for them to wait for a rehab centre. We don't have a rehab centre in the region of Peel. We have one detox centre, which is atrocious. It is very understaffed and poorly run. It's basically a revolving door.

We need, like I said, transitional housing with dignity. We need this affordable housing for these people. The majority of the places that we have in the region of Peel, for lack of better words, I wouldn't let my dog sleep in there. I'm sure that none of you would even set foot in these places at all. There's no reason whatsoever that a human being should live like that, all because of a bad choice.

I'm sitting in a room full of people who, I'm pretty sure, by 11:30 in the morning, have all made a bad choice so far. For some of us, when we make that bad choice, it has unbelievable consequences. Mine was sticking a needle of heroin in my foot 27 years ago, okay? I've been clean now for four years—all because of a bad choice that followed me.

Society is changing. We have to change our way of thinking. We've got to help these people. We've either got to put the money out now or it's going to affect every single one of us in this room. The bottom line is, if I can't get it from the government, I'm going to take it from one of you guys. So when you leave your nice cushy job and you hop in your car and you go to your house, there are people like me who are going to be standing at the side of your house, waiting for you. I'm the one who's going to club you in the head with a can of soup in a sock. I'm going to take your money. Okay? I personally am not going to take your money. My addiction will take your money. My choice of drug will take your money.

1130

There's no money, it seems—and as I've been doing this for the last four years, there doesn't seem to be any money in rehabilitation. There seems to be money in corrections. There seems to be money in jails. Like I say, it's not a war on drugs, it's a war on addicts. We're easy pickings for people like yourselves—and I'm not knocking you. You guys worked hard for what you've got. You really did. You were lucky; you were fortunate. Good people around you, I guess; I don't know.

The bottom line is, we need transitional housing; we need affordable housing; we need to house these people with some dignity. The old saying: "You sit in a barber chair long enough, you're going to get a haircut." I'm pretty sure if I take one of you guys and put you in the same surroundings, after a little while, you're going to end up just the same. You'll be a product. There are the one-percenters who do pull themselves out, but your odds are way against you. So you guys can either put the money out now and nip this in the bud and get things started, or—like the gentleman before us with the hospitals, I've got a lot of my clients in there for no other reason than just to have a warm, safe bed, when it could be used for more important things.

Mr. André Lyn: I'm André Lyn with the Social Planning Council of Peel. I'm a researcher there. Just to

underscore the need for more affordable housing in Peel, we have a wait list of up to 21 years for social housing—the longest in Ontario—so the need for social housing is very important. We have a population growth: In 2006, it was 17%, and our immigration growth rate was 32%, one of the highest. So there is a dire need for social housing and affordable housing in Peel region.

We also need, as we ask, more money for social services, and included in that should be money for settlement services. Some 48% of Peel's population are now immigrants, and a full 50% are considered by Stats Canada to be visible minorities. So the need is dire; it's growing. Since 2006, I'm sure that we're more than 50%.

With PPAG, we have put out a DVD called Homelessness in Peel. We have presented two copies here. I know there is a feeling that because Peel is suburbia we don't have homelessness, but we do, and part of that is the lack of housing, lack of funding for social services. So it's an important need.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation. I would turn this over to Mr. Prue for questions.

Mr. Michael Prue: I have to ask the obvious question—I have spoken with this action group before as the NDP's poverty critic: Are your MPPs from the Peel region, one of whom is here, not advocating on your behalf? Are they not getting what Peel region needs, the same as every other place?

Ms. Edna Toth: I should almost leave Charles to answer that one, I suppose. I think advocating on our behalf and advocating effectively within the Liberal caucus may be something of a difficulty, but that's better known to the members of the committee than it is to us.

We have had help from Charles, certainly, and from Bob Delaney, both in Mississauga, and I'm sure that other people have also spoken up in caucus in our support. I do have to say that it's not obvious. The local papers are not carrying it, but there's a lot of stuff that they don't carry.

Mr. Michael Prue: Okay. In terms of the wait list—let's go to the wait list next—there's a 21-year wait list. Peel has an expanding—not so much Mississauga anymore, but Brampton for sure—population base and more and more people moving into the area, so it's not surprising that the wait list is going up. Has the government given you any indication as to when social housing might be built or monies might be made available for Peel?

Mr. André Lyn: When you say "the government," are you talking about the regional government?

Mr. Michael Prue: No, I'm talking about the provincial government.

Mr. André Lyn: No, we don't have a sense as to what that is. That's part of the request, to have more funding going toward building social housing, or affordable housing, for that matter.

Mr. Michael Prue: Okay. Now the government often stood up—I mean the former Minister of Municipal Affairs and Housing, who resigned his seat yesterday. He would stand up and talk about all the affordable housing

that's being built. Have you seen any evidence of affordable housing in Peel?

Ms. Edna Toth: Yes, there is some going up.

Mr. Michael Prue: How much?

Ms. Edna Toth: I think it's 616 units in the next two years, which is not going to make a huge dent in 13,500, but it is a move in the right direction. The region of Peel will be here this afternoon to speak to the committee, and they do have the statistics more easily available than we do. I think they are going to recommend that the bill put forward by Cheri DiNovo regarding having social housing as part of projects when developers make their presentations to council—I think that they will probably come in support of that. They will speak to you at 2 o'clock.

Mr. Michael Prue: I don't think that some of the members of the committee will have ever heard that before, that people injure themselves or cause pain to themselves in order to get a hospital bed and/or a warm place to sleep. This is not unusual if you live in downtown Toronto. St. Michael's Hospital has told me for years and years of people injuring themselves in order to get into the hospital. How many people do you estimate do this, from the 30 or so people you deal with?

Mr. Greg Yeandle: I'd say, out of the 30 clients that I have in Brampton, all of them at one time or another, coming up on the last four years, have either faked an illness, given themselves an injury or they fall under—it's getting very difficult right now, but a lot of them try to have themselves formed. Psychiatric—

Mr. Michael Prue: Psychiatric formed, yes.

Mr. Greg Yeandle: Starting off with 72 hours, and then continuing after that. It's almost like we've gotten to a point now where we know the system, we know what to say, we know what not to say. If you do notice, and I have in the last four years—I'm getting a lot of the old-timers, a lot of the heavyweights, a lot of the hard-core guys. It's almost like Brampton and the region of Peel have become the retirement section for the people who are experiencing homelessness, for the people who are addicts. They finish their time out there, as opposed to down here.

Do you understand? They're making their way along the Lakeshore to Port Credit, and then from Port Credit it's just word of mouth. There is quite the network in that community, so after spending a couple of days out in the west end around Port Credit or Lakeshore, people start hearing about Brampton, Bramalea, Mississauga—well, not so much Mississauga, because Hazel is Hazel, for whatever reason.

Mr. Michael Prue: Okay. We all know Hazel. Thank you.

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

ONTARIO CHIROPRACTIC ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): I'll now call upon the Ontario Chiropractic Association to come

forward. You will have 10 minutes for your presentation and that will be followed by up to five minutes of questioning that will go to the government side in this round. You may begin any time.

Dr. David Brunarski: Good morning. My name is Dr. David Brunarski and I am the president of the Ontario Chiropractic Association. With me is Dr. Robert Haig, executive director of the OCA.

Thank you for considering our input. We would like to emphasize at the outset that our input and recommendations take into account the financial constraints the government is operating under, both from the perspective of the budgetary deficit as well as the degree to which the province's budget is already devoted to health care expenditures. We believe the most significant area in which potential cost savings can be realized while improving, rather than reducing, services to Ontarians is in health care.

By way of background, primary care is health care delivered at the first contact between a patient and the health care system—the point of entry. This represents the majority of health care. It is patient care delivered by family physicians, nurse practitioners, doctors of chiropractic, optometrists and others, including care delivered in family health teams and in community health centres. Secondary care is health care provided by a specialist health care professional. Tertiary care is care that requires highly specialized skills, usually within facilities serving a large portion of the population.

1140

The key to a well-functioning health care system is a primary care system that quickly and effectively manages patients with those conditions that are appropriately handled within primary care settings without requiring them to access emergency rooms, medical specialists, advanced testing and hospital care that may not be necessary and further delays treatment.

We'll focus our comments on spine pain, particularly back pain and neck pain, to illustrate how the current primary care system measures up to this count. Here are a few significant numbers:

As many as 57% of emergency visits are not actually urgent, and a significant number of these are for acute and chronic back pain.

From 1994 to 2005, the use of rather expensive MRI testing increased 619%, even though the relevance of a positive finding is often questioned, suggesting that this sophisticated diagnostic tool is too often being used as a screening technique rather than to confirm a diagnosis or establish a treatment plan.

Only about 5% of all back pain patients are candidates for spinal surgery, yet many more than this are referred to spine surgeons. This means that very few patients who are referred to a spine surgeon for a surgical consult are actually surgical candidates. This represents a huge drain on the surgeon's time and contributes vastly to wait times for those who urgently need surgery. This happens because our primary care system does not handle these patients well, and thus, they are too often pushed into secondary care settings.

I'll now turn this over to Dr. Haig to talk about how the government's primary care reforms should be expanded to provide patients with enhanced care as well as make better use of scarce health care dollars.

Dr. Bob Haig: Thank you, David, and good morning, ladies and gentlemen.

The examples that Dr. Brunarski has provided underscore the need for accelerated and more comprehensive primary care reform. The government is on the right track with its approach. It is widely acknowledged that family health teams are by far the most promising primary care model that Ontario has ever seen.

Referring to the benefits offered by Ontario family health teams, a recent article in the *New England Journal of Medicine* noted that "The use of interdisciplinary teams expands the range of services provided and reduces overload for individual physicians." It concludes that Ontario's experience "can provide useful lessons for the United States as it addresses its primary care crisis."

Family health teams are designed to be interdisciplinary. This is important because there is extensive research showing that interdisciplinary team health care is better health care.

The initial concept and announcement by the government included roles in family health teams for rehabilitation professionals. By this, I mean chiropractors, physiotherapists and occupational therapists, primarily. When the government originally announced family health teams, there were 17 professions that were included in the list of family health team professionals. Despite this, there are no rehab professionals included in any of the family health teams announced to date.

That same article in the *New England Journal of Medicine* noted that physicians in family health teams "are assisted by other health professionals, such as nurses, nurse practitioners, psychologists, pharmacists, social workers, and health educators." The article did not mention any rehab professionals because there are no rehab professionals there.

There was a study conducted by Queen's University in October 2009—this is very recent—that questioned this. The study recommends that the government reconsider its rationale for excluding rehab professionals from family health teams. It goes on to state, "There are a number of primary care services for which physicians are currently the professional of choice, but where rehabilitation professionals are clearly at least as well qualified, and in some cases better qualified."

The study notes that there are a number of efficiencies that could be achieved by looking at the roles for rehabilitation in primary health care. Most compelling, it indicates that long wait times mean that people with chronic diseases and disabilities are often showing up at the family physician's door basically because they have nowhere else to go. That, clearly, is not the way a primary health care system is supposed to work. The study also includes a national policy scan of progress in implementing primary health care teams and concludes, in part, "that Ontario's policy on the place of rehabili-

tation professionals within the primary health care teams differs from that of every other jurisdiction surveyed except PEI."

There was a very important primary health care summit in Toronto two weeks ago. An article was posted on the website of the *Canadian Medical Association Journal* on that summit. Attendees heard speaker after speaker criticize the failure to "more widely implement collaborative approaches to primary health care delivery." One of those was Alba DiCenso, the director of the Ontario Training Centre in Health Services and Policy Research. She noted that rehab professionals remain excluded from most policy-setting discussions, and she was specifically referring to Ontario.

Despite the original intentions and despite the progress to date, family health teams are not living up to their full promise yet. We believe that the government has the ability to change this and that it should.

Spine pain, back pain and neck pain are among the top reasons that patients visit physicians and are the second-leading cause of disability in Canada. Not just the burden on the health care system, but the economic burden on society is very, very large. It is one of the most costly causes of illness and disability in Canada. The inclusion of chiropractors in family health teams would provide improved acute and chronic back pain management for patients and improved alignment of the care provider to patient needs, all as part of a coordinated, interdisciplinary team. This would expand available therapeutic choice for patients, provide greater access to care as well as improved continuity of care. This is all consistent with the government's focus on providing comprehensive, patient-centred, integrated health care.

Some of the first words out of Dr. Brunarski's mouth were that our recommendations were mindful of the financial constraints that the government faces—and they are serious. We believe that the government can make a lot of progress in enhancing interdisciplinary team care within the context of family health teams on an unfunded basis—without actually funding the services. This is happening now in a number of family health teams and it's working well. In those circumstances, the chiropractors are renting space from the family health team, so the family health team has an economic benefit there. Essentially, they've made their own infrastructure arrangements. But importantly, those arrangements provide many of the key facilitators for team-based care: co-location and access to the common medical record. So even though the services are unfunded, the coordination of care, which is the key to an effective primary care system, is still beginning to happen there. We believe the government should take steps to ensure that its policies facilitate rather than discourage this kind of collaboration and the inclusion of unfunded services.

The facilitation and provision of unfunded services is obviously not a complete answer to things. Funding for those services comes either from the patient or from third party health insurance, and that means the most vulnerable patients—those on social assistance, the working

poor, the elderly—who don't have access to chiropractic services now still won't be able to access them. It's not a perfect solution for the health care system, but it is a start at providing the coordination of care that is fundamental to making the system work well.

We also believe that as the government's finances improve and as Ontario's finances improve, family health team and community health centre funding should be considered for those most vulnerable patients.

Just to summarize, then, integrating chiropractic services into primary care as part of the health care team will improve acute and chronic back pain management for patients, improve the alignment of care provided to patient need and improve the delivery of primary care.

Our recommendations to government are to:

- integrate rehab services into family health teams on an unfunded basis;

- ensure that the infrastructure is in place to allow for that integration; and,

- as finances improve, consider developing a mechanism to fund chiropractic services for those who are most vulnerable.

Again, we're talking within existing primary care organizations: family health teams and community health centres, primarily. Thank you.

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

Mr. Wayne Arthurs: Gentlemen, thank you so much for being here this morning. As I understand the presentation, there's no specific fiscal ask in this budget, although on a go-forward basis for vulnerable communities, you'd want to have consideration for those services—rehab-related services and chiropractic services.

Dr. Bob Haig: Yes, that's correct. It's hard to believe that we're not sitting here asking for money, but we're really not.

Mr. Wayne Arthurs: As I'm trying to work my way through the presentation, within the context of family health teams, there were provisions for some 17 services, three of which were rehab. To date, no family health team has made an application—

Dr. Bob Haig: No, there have been—

Mr. Wayne Arthurs: Oh, have they? They've made applications for them, but the province hasn't approved any health teams with those rehab services built in?

Dr. Bob Haig: That's correct.

Mr. Wayne Arthurs: But there are individuals—I'll call them individuals—there are services where the rehab services, the chiropractic services, have managed a business model relationship with a family health team, on an unfunded basis, in which they pay for their own infrastructure but integrate themselves into that family health team model. Is that—

Dr. Bob Haig: Yes, that's basically correct. There have been—and I can't tell you the numbers—many proposals for family health teams that included chiropractors; certainly that will have included physio-

therapists and occupational therapists as well. None of those have been funded by the government in the system, so that they have—and I'm not being critical of this; I'm just describing it. The government has had to make sure that the concept works, so they focused on those professions which actually provide direct service to the physicians, in many cases, to make the model work, because the model really is the right model. So we understand that.

I believe that the financial constraints and also the complexity of making it work are factors in why there are none, but there's a way to do it, there's a way to facilitate it, and the government should look at how to facilitate that happening. That's primarily what we're saying.

Mr. Wayne Arthurs: All right. If I understand, then—and I can relate it to the one experience that I have within part of my riding, the western part of Durham region, and the one family health team which took some time, as these things do, to get themselves organized and up and running into existing space, not new space or anything. I was visiting with them a while back, and they're having a tremendous amount of success and a lot of collegiality, all those kinds of things. It takes, obviously, a considerable time to get these things to work, but you think it has been and now is the time to integrate those rehab services into future family health teams or within existing family health teams as they grow. Is that correct?

Dr. Bob Haig: Existing and/or new. I mean, underlying all this is the fact that the government puts an awful lot of money into health care. There have to be ways to make that work better. If, for example, having chiropractors and others unfunded within a family health team means that the physicians within that family health team are able to focus on the things that only a physician can do, that makes the thing work better.

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

Mr. Phil McNeely: I just want to look on page 5. From my own experience with my family—my wife had the problem of going through the physician and going through and through and through and looking for the solution. Presently, she's probably getting more relief from the back pain from the chiropractor who she's visiting, but that is not integrated. I have to agree with you that there are a lot of lost dollars in health care because that integration doesn't exist. So I have to support what you're saying about being part of that FHC team for your profession.

Dr. Bob Haig: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you. We are recessed until 1 o'clock sharp this afternoon.

The committee recessed from 1155 to 1301.

The Vice-Chair (Mrs. Laura Albanese): Are we ready? Okay.

Mr. Toby Barrett: I wish to raise a point of order: It's essentially a question for legislative research, if this is appropriate.

Over the past seven days I've been trying to keep track of statistics on the size of government and the number of employees—CUPE has 220,000 public service workers; I'm not sure about other groups, the figures for university professors—just to get a feel for the impact on future pension liabilities, things like that.

I was wondering—I've spoken with Larry about this—if we could get some ballpark figures, perhaps from Statistics Canada, on not only the number of Ontario government employees but also the MUSH sector—municipal employees, health care, police, for example—and not only provincial but also municipal and federal agencies, boards and commissions, essentially to get an idea of how many people, full time, part time, draw on taxation revenue. So very general, ballpark figures, if we could include the three levels of government plus agencies and grant-funded organizations. I can give you a note with some more detail.

Mr. Larry Johnston: Yes, that's fine. We can go ahead.

Mr. Toby Barrett: That's appropriate? Thank you.

The Vice-Chair (Mrs. Laura Albanese): Maybe that could be distributed to the rest of the members.

ONTARIO BAR ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): We'll start our afternoon session with a submission from the Ontario Bar Association. Good afternoon.

Ms. Carole Brown: Good afternoon. I will make my way up to the table slowly.

The Vice-Chair (Mrs. Laura Albanese): Please take your time.

Ms. Carole Brown: It's a sporting injury.

The Vice-Chair (Mrs. Laura Albanese): You will have 10 minutes for your presentation—

Interjections.

The Vice-Chair (Mrs. Laura Albanese): Take your time.

Ms. Carole Brown: Thank you for your patience.

The Vice-Chair (Mrs. Laura Albanese): No problem. You will have 10 minutes for your presentation. I would ask you to identify yourself at the beginning for the purposes of our recording Hansard. Thank you.

Ms. Carole Brown: Thank you. Good afternoon, Madam Chair, members of the standing committee. Thank you for providing the Ontario Bar Association with the opportunity to participate in your pre-budget consultation process.

My name is Carole Brown and I am the current president of the Ontario Bar Association. The person who assisted me in getting to the chair this afternoon was Lee Akazaki, who is our vice-president.

As you may be aware, our association represents 18,000 lawyers, judges, law professors and law students across the province. We are a voluntary membership-based association and the largest provincial branch of the Canadian Bar Association. Our role as the voice of the profession in Ontario is to advance reasoned positions to

the public, to all levels of government and to our regulator, the Law Society of Upper Canada, for the benefit of our members and to improve the law and the administration of justice in this province.

On behalf of our members, and as we have done in the past, we would once again urge you to consider an amendment to the Business Corporations Act. Under the act, lawyers cannot currently issue non-voting shares to immediate family members, while doctors and dentists can. While this is clearly an issue of fairness and equity, it is also, most decidedly, an issue of access to justice. In smaller centres, towns and rural communities throughout this province sole practitioners and small firms provide legal services for the majority of Ontarians. The ability to access those same rights available to other professionals could mean the difference between maintaining a viable practice to serve the local community or having to pack up and move one's practice to a larger, potentially more viable centre. The Ontario Bar Association submits that it is unfair, inequitable and inappropriate to afford doctors and dentists this benefit under the act but not lawyers.

Lawyers whose practices consist primarily of legal aid certificates, whether family, civil or criminal—which is indeed the case in many areas in our province—already struggle financially. They serve, in many cases, the most vulnerable in our society. The recent increase in legal aid, which I will address more fully in a moment, will be helpful, but it is by no means a panacea. Why should certificate lawyers not be allowed to find the same measure of financial security as other professionals when they are at the front lines of our justice system?

The justice system and the rule of law underpin Ontario's civilized society. Without them, we really have no viable society. Those who serve in the justice system are as relevant and essential to society's well-being as those who serve in health care and education. Individual rights and liberties are the subject matters dealt with on a daily basis in Ontario's criminal, civil and family justice systems. The rule of law and an effective judicial system represent the foundation, the cornerstone, of our society.

As our province fights its way out of economic hard times, the strain on Ontario's justice system will not be lessened. Tough times, unfortunately, are often accompanied by increased crime rates, domestic violence and family breakdown.

In a recent interview with the OBA for our magazine, Briefly Speaking, the Attorney General talked about how bigger budgets weren't necessarily better, how funding the system can result in more of the system, when what we really need is a commitment to modernization of Ontario's justice system. I commend the article to you, knowing that you each receive Briefly Speaking bimonthly on your Queen's Park office desks, but I digress.

The OBA, through a number of our stakeholder outreach initiatives, has recommended efficiencies and modernization of the system and, in that regard, we are in full agreement with the Attorney General. We have supported those initiatives of the government that we

believe are in the best interests of ensuring access to justice, such as Justice on Target, Justice Ontario, family and civil law reform. Indeed, the members of the legal profession have been consulted widely and have offered opinions and recommendations on all of those initiatives.

1310

The OBA was fortunate, along with several other legal organizations, to participate in the recent advisory review panels with Legal Aid Ontario. These five panels provided a substantial list of recommendations for the expenditure of the announced \$150 million over four years for legal aid. We acknowledge that this funding allocation during these hard times was, in a word, exceptional. The work on legal aid is far from over. We must be creative in finding the ways to fund additional tariff increases to ensure that the means of those being served does not determine the quality of their representation.

We recognize that government will be looking for efficiencies, and we in the justice sector will continue to give voice to our belief that we have been underfunded by a succession of governments. The issues in Ontario's justice system, left unchecked, will have serious and severe consequences on society. Justice is the cornerstone of a civilized society and it must be afforded the same priorities as health care and education.

In my remaining time, I would like to propose something other than simply asking for more money—although we are indeed doing that. We recommend, while searching for efficiencies, that modernization, accountability and efficiency initiatives be specifically rewarded. As the social transfer payments from the federal government continue to see moderate annual increases, we propose that an equal amount of the increase that flows into the justice sector be earmarked for those projects that are dedicated to modernization of the system.

The need is real. We will stand shoulder to shoulder with those who aspire to reform and modernize our justice system. Such efforts serve the public, they serve the profession that we represent and they ensure that Ontario's justice system remains the envy of the world. The citizens of this province need and deserve a justice system in which they have confidence, a justice system that is accessible in a timely manner, and a justice system that ensures access to its most vulnerable.

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

Mr. Peter Shurman: Thank you, Ms. Brown. Perhaps you could enlighten me, anyway, and I'm sure many of my colleagues on the committee, as to the specifics of the changes you're requesting to the Business Corporations Act. What does it mean?

Ms. Carole Brown: The Business Corporations Act right now provides for income splitting with respect to doctors and dentists. All lawyers and other regulated professionals are allowed to practise as a corporation, but only doctors and dentists are permitted to have family members own shares, which results in income splitting. But the importance there is that in smaller communities,

in smaller centres, in rural areas where lawyers move and are not able to be afforded this financial model, as it were, it is much more difficult for them to remain to provide access to justice, to provide legal services for those communities that need it. We are seeing more and more communities in northern parts of the province, in the rural parts of the province, that don't have lawyers, where lawyers are leaving because the practice is so hard that they aren't able to be—

Mr. Peter Shurman: But what's the linkage, though? Is that because of the inability to income split and therefore employ or co-employ with your husband, wife or significant other? Is that what you're saying? Because I'm not understanding the linkage you're drawing between rural communities and major cities and the income-splitting piece.

Ms. Carole Brown: It's more difficult economically to make a viable practice in these smaller communities—number one—and as a result of that, there are no other benefits for them to help make it more viable. Often, if lawyers move to smaller centres, spouses have to leave their jobs, and so it becomes a one-income family.

Mr. Peter Shurman: What would be the reason, in your understanding, that the other professionals get this benefit and that your profession does not, at present?

Ms. Carole Brown: There is no policy reason for it.

Mr. Peter Shurman: It's never been stated.

Ms. Carole Brown: There is no viable policy reason to distinguish.

Mr. Peter Shurman: Interesting. Thank you.

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

Mr. Norm Miller: Hi. Thanks for your presentation. You spoke a lot about the need for modernization of Ontario's justice system, and I think you said, "We recommend, while searching for efficiencies, that modernization, accountability and efficiency initiatives be specifically rewarded." What sort of benefits do you think you're going to see if you do bring about modernization, and how do you recommend that these rewards occur?

Ms. Carole Brown: The Attorney General has spoken about modernization of the system to ensure that access to justice does become a reality, because there are a lot of parts of the system that haven't been modernized over many years or decades.

Mr. Norm Miller: Can you give an example of something that doesn't make sense that should be changed?

Ms. Carole Brown: I think there are a lot of examples, but court structures aren't as efficient as they could and should be. I think there's a lot that has to be done, but we need the funding to modernize, to even look at the kinds of efficiencies that can be brought in. There have been a number of efficiencies that have been brought in that are beginning to make changes, but we need many more.

Mr. Norm Miller: And I assume the benefits would be better access to justice and cost savings down the road, eventually.

Ms. Carole Brown: Better access to justice and more timely access to justice, because there are a lot of impediments to getting to trial quickly.

Mr. Norm Miller: And a more efficient system. So am I correct in saying that it would be more efficient and that there might be cost savings down the road as well, once it's implemented?

Ms. Carole Brown: Hopefully.

Mr. Norm Miller: Okay, thanks.

The Vice-Chair (Mrs. Laura Albanese): You have 20 seconds. Thank you very much.

Ms. Carole Brown: A quick question.

Mr. Toby Barrett: Very quickly: Is there any evidence that we can get the cost or wait times to come down? These are the kinds of things we look at with other government-funded agencies.

Ms. Carole Brown: Is there evidence?

Mr. Toby Barrett: That we can get either the cost—well, both the cost and wait times to come down in the justice system, thinking primarily of courts.

Ms. Carole Brown: The wait times need to come down in order to create a justice system that works. Is there evidence? I would actually have to get back to you on that in terms of concrete evidence. Right now the system isn't working efficiently, so we don't have that kind of evidence.

Mr. Toby Barrett: Okay, thanks.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation this afternoon. We appreciate your time.

PEOPLE FOR EDUCATION

The Vice-Chair (Mrs. Laura Albanese): We'll now call on People for Education to come forward. Good afternoon. You will have 10 minutes for your presentation, which could be followed with five minutes of questioning. Again, please identify yourself before you begin. Thank you very much.

Ms. Annie Kidder: Hello. My name is Annie Kidder and I am the executive director of People for Education. I have been coming to these hearings for a very long time now, it feels like.

I am not here today to say, "Spend more money." I do understand that we are struggling in Ontario with a very large deficit. But I am coming with two concerns, one in terms of funding for education and the other one in terms of funding in general. I would like to ask your committee to make a request for us, I guess is what I'm coming to say.

1320

In 2003 and 2007, the Premier promised to review the funding formula for education and promised to have that review in 2010; he actually talked about it as a formal review. We're concerned that we don't see any sign of that review happening to the funding formula. The world has changed significantly since 1997, when the funding formula was first developed. There have been a number of patches and adjustments and refinements over the

years to the funding formula, but it has not kept up with all of the changes since 1997. Enrolment has declined, as you know, significantly since then. School sizes are very different now than they were in 1997. In terms of funding for students at risk, much of the funding is based on data from 1991 and 2001. We have a lot of talk these days about using schools as community hubs, but there's actually no funding in place to allow schools to act in this manner.

We are hoping that the Premier will live up to his promise to review the funding formula this year, and that will have an impact on funding and the sort of economic health of Ontario overall.

The other piece which is connected to this and which I hope your committee considers very carefully has to do with integration. In all of the conversations about schools as community hubs and in the report from the Premier's adviser on early learning, the report called *With Our Best Future in Mind*, one of his most significant recommendations was to allow schools to act as kind of one-stop shops providing coordinated and integrated services for families, children and youth, and this is a wide range of services and programs. We know from economists, when they have looked at programs for young people, that the cost benefit is enormous, and in fact this kind of investment in terms of stimulating the economy is a better one than any other investment. In his report, the Premier's adviser found that for every dollar spent, as much as \$17 was saved in the long term. What this takes is long-term thinking, which is often difficult for governments, in an understandable way, because we deal in four-year terms. But if we established an integration framework for all programs and services for families, children and youth, what we would end up with is actually a way of not only saving money, but ensuring that we deal with families, children and youth as the ecosystem that they are. All of our public policies have impacts on those people, and right now they all operate in very separate silos.

So my request today is a very short one. It has to do with acting on the promise of a review of the funding formula for education so that it keeps up with the reality of 2010; acting on all of the recommendations from the Premier's adviser on early learning so that we really, truly have a visionary program that is integrated and that works for children and their families from all across the socio-economic spectrum; and that we establish a provincial integration framework that particularly has funding mechanisms so different ministries and different silos can work together to fund programs, and that also includes outcome measures so that we can look at integrated measures of success for young people, including student success, but also mental health, physical health and other outcomes.

Thank you very much.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation. This round of questioning will go to Mr. Prue.

Mr. Michael Prue: Thank you. The funding formula has been contentious over the last number of years. I

know my colleague Rosario Marchese asked the Minister of Education many times over the last two years when the funding formula was going to be reviewed. How long do you think the review would take if it's to be completed in 2010? I don't imagine there's time left to do it.

Ms. Annie Kidder: I think there's absolutely time left to do it. It's only February.

Mr. Michael Prue: Okay.

Ms. Annie Kidder: I think, in a way, the thing to do in this year is not necessarily to suddenly spend more money on anything, amazing though that is to say; it's actually to take the year to consider the funding formula for education, but to consider it within a context of all of our programs for children and families. If we continue to just look at education in isolation from everything else, we'll continue to make mistakes. We need to actually look at how we can serve kids and families better. We're doing a pretty good job in some areas now. It has to be done in context. That's why there needs to be an overall integration framework, but we have to look at the funding formula within that.

Mr. Michael Prue: Just on that, we heard this morning from another deputant that the city of Windsor yesterday, taking the savings into account of all-day kindergarten, just shut down seven of their daycare centres. I have a report here from the city of Toronto which I requested over the lunch hour that shows that due to equity actions resulting from a reduction, there will be 2,000 subsidy spaces lost in Toronto if we proceed with all-day kindergarten. Is that the kind of thing that we should be looking at before this happens?

Ms. Annie Kidder: It's the reason that it was very important not to cherry-pick from the Premier's adviser's recommendations: Each of the recommendations affected other pieces in it. It's like a jigsaw puzzle; you can't take one piece out. Only taking one piece out, which is the new all-day early learning program, has had a huge impact, which the Premier's adviser said it would, on other components of child care. That's why it was important to also put in place, at the same time, the child and family centres in schools and to deal with the programs for kids from birth to age four.

It's a perfect example of what's wrong. When we don't integrate our thinking and our economic and our public policy, we have this exact example where we have one piece—a very, very good, wonderful, visionary idea. But because it's being implemented without the structure in place, it's having an impact on other areas. Some of those impacts are happening to municipalities. Again, because we don't have that integration, it's not very easy for municipalities and school boards to work together right now. There's no structure in place that says they must or that they can or that they can figure out ways of sharing the funding and the programs.

Mr. Michael Prue: Is the study that we're doing this year going to alleviate that, or should it be put—I think it should be put in place much sooner, the Premier's goal of

what he's going to do, so that we don't lose these daycare spaces.

Ms. Annie Kidder: The Premier's adviser said it was fine to implement the plan in stages, but that meant in terms of the percentage of children who were part of it, not the pieces of the program. I think he understood that the structure had to be in place as we slowly rolled this out, taking in more and more and more children, but what he did not say was, "Just take a piece out of it and implement that."

So, yes, it is very important that all of the recommendations from the Premier's adviser be acted upon now. Otherwise, we're going to continue to see wins on the one hand and losses on the other hand, as opposed to seeing one strong, cohesive, coherent system for children and families from zero to 12, which is what the Premier's adviser suggested.

Mr. Michael Prue: Time?

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

Mr. Michael Prue: People for Education advocates on behalf of public schools, Catholic schools, French and English. There has been some concern, because this is being rolled out very slowly, that Catholic schools may get all-day kindergarten, and public schools in the same towns or areas won't, and that children who are not Catholic cannot attend. Have you or has your group addressed this?

Ms. Annie Kidder: It is always going to be an issue that some schools, because it's being rolled out slowly—and it's understandable to roll it out slowly—are going to have it and some schools won't, just in terms of the all-day learning piece or their new early learning program. More important are actually the other pieces. More important was having the child and family centres in place.

It was always going to be difficult. I don't think it's necessarily true that one system is getting it before other systems, but there are certainly going to be, in communities, parents who are going to go, "Why does that school have it, and we don't?" That's one of the bumps along the road. I think it's understandable. I don't think it's a fault necessarily in how it's being rolled out.

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

1330

AUTISM RESOLUTION ONTARIO

The Vice-Chair (Mrs. Laura Albanese): We now call on Autism Resolution Ontario to come forward. Good afternoon. You will have 10 minutes for your presentation. If you can state your name before you begin.

Ms. Sharon Aschaiek: Good afternoon. I'm Sharon Aschaiek. I'm the mother of three-year-old Jaiden, who has autism, and I also lead Autism Resolution Ontario, which is a non-partisan parent-run advocacy group working to make publicly funded autism therapy more

accessible. Thank you for this opportunity today to talk to you about my concerns about the way autism therapy is funded in Ontario and my ideas for better servicing children with autism.

Right now, Ontario is facing a social and fiscal problem of a substantial and growing magnitude. We're facing the onslaught of a large group of adults who will place heavy demands on our social assistance system because they are not being properly invested in during their childhood and youth.

I'm talking about the autism crisis in Ontario, a crisis that's quickly growing and surely evolving from one that affects thousands of families in Ontario and already negatively affects our economy to one that will ultimately adversely affect all taxpayers in this province—but not if we act now, not if we make better use of Ontario's budget so that we can enable the thousands of children who have autism to get the help they so desperately need now so that they can become independent and contributing members of society.

Why should we act now? Well, there are plenty of reasons to pay attention to the needs of people with autism in this province. About 70,000 people in Ontario live with this neurodevelopmental disorder that impairs communication, socialization and behavioural abilities, and that number includes several thousand children.

As you might know, autism is the fastest-growing developmental disability in the world. The most current research shows it affects one in 91 children, including one in 58 boys. Sixty-seven children are diagnosed with autism every day, and a new case is diagnosed almost every 20 minutes. More children will be diagnosed with autism this year than with diabetes, cancer and AIDS combined.

Over the last decade, the Ontario government has made some good strides to help kids with autism. The province has invested in providing our children with ABA, or applied behaviour analysis, which is the most established and widely recommended scientifically proven autism intervention.

ABA is an intensive one-on-one behaviourist intervention that uses repetition, rewards and consequences to teach proper communication, social, academic, behavioural and life skills. ABA has been shown to dramatically improve these skills in people with autism.

The Ontario government recognizes that ABA is a lifeline for these children and has a provincially funded program in place that provides this therapy. The problem is there are major gaps in this program, meaning kids face tremendous obstacles in accessing enough of this therapy to meet their developmental needs.

Right now, children in Ontario wait two to four years to receive publicly funded ABA therapy. About 1,650 children are on wait lists for subsidized ABA therapy in Ontario, and that number is growing every day. ABA works best when started in children's early years, but this extreme wait means these kids' early years are being forever lost, and so are their opportunities to maximize in their development.

Parent who want to maximize their children's development through actual early intervention face costs of about \$50,000 a year for private therapy, an overwhelming cost for most families. As a result, families go broke trying to pay for private therapy and still can't afford enough for their kids.

Once children with autism finally receive subsidized therapy after years of waiting, they're at constant risk of having it prematurely cut off. The government decides to stop a child's therapy without sufficiently considering the input of a child's front-line and supervising therapist or the data showing how they're progressing with the therapy.

Autism is typically a lifelong condition, and each child needs a different amount of therapy to thrive. Therefore the individual needs of each child must determine how much therapy they receive.

Furthermore, Ontario's schools are not properly accommodating children with autism. It has been proven that kids with autism need ABA to learn, but right now, sufficient personalized and authentic ABA instruction and support are not available in schools. Right now, these children are being forced to choose between ABA or school, a denial of their rights under the Ontario Education Act and a denial of their chance at a meaningful life.

The alarming increase in autism diagnoses over the last several years, combined with the severe gaps in autism services in Ontario, is a disastrous combination. This is a problem not only for the families trying to meet their children's basic developmental needs without enough support; this is also destructive for the Ontario economy at large. Families who spend every extra cent they have on therapy are not families who are spending much on anything else and are not stimulating the economy. According to a 2008 Ontario Autism Coalition study, families are going bankrupt at 20 times the provincial average. Other reports indicate higher-than-average rates of divorce, and still other families flee this province for BC, Alberta or the US, where services are more responsive. The breakdown, bankruptcy and flight of these thousands of families in Ontario all ultimately take their toll on our economy.

Over the next 10 to 20 years, these children will become adults. It has been determined that not properly investing in these children now means spending millions of dollars more on them in lifelong adult social services. Given the growing number of children with autism, this is poised to become a massively expensive social problem that will cost all taxpayers.

So how can the Ontario budget better serve kids with autism? The Ontario government's current annual IBI budget is \$150 million. This is money that needs to be spent more wisely to better serve all kids with autism. In addition to the 1,650 children on the wait list for this service, there are 1,350 receiving full or partial service. This comes to a total of 3,000 children. If you divide the total budget of \$150 million by these 3,000 children, you get about \$50,000 per child. That's enough for 25 hours of therapy per child per week.

If autism cases continue to spike as they are and this budget at its current number can't sufficiently accommodate kids with autism in this province, it must be expanded to do so. Currently the provincial government allows families in the public ABA program to participate in service provided by government-run agencies or to obtain direct funding from the government and use it on private providers. In 2004, the Ontario Auditor General found a tremendous waste of money in the way these government-run agencies run the ABA program. He found excessive spending in overhead and administrative costs, and he determined the direct funding option is much more cost-effective. Ontario should move to a completely direct funding option so as to bring down costs and allow the ABA program to be accessible to more children.

The provincial government should allow for some flexibility with regards to the number of hours a child can pursue in therapy. Instead of having a 20 to 25 hour per week minimum, which is the current standard, let kids who need less do less. This avoids extra hours from going to waste on children who don't need it and frees up hours for children who are waiting.

I'm also going to speak a little bit about the education funding formula that Annie talked about. Currently school boards receive up to \$60,000 for each special-needs child they accept, but that money is not being spent directly on that child. Instead, that money goes into the board's general revenue stream. Spending this money directly on ABA services and supports for special-needs students will be greatly beneficial to these children and a much better use of taxpayers' money.

The families of Autism Resolution Ontario have developed a solutions report covering ideas like these and more. This report is available in your information kit as well as in the Queen's Park library.

In conclusion, various provincial governments have taken some good steps to achieve this goal, but we must go further. Thousands of kids with autism continue not to get their basic developmental needs met in this province. These children, who are among the most vulnerable constituents in this province, are being denied timely access to an essential intervention and as such are being robbed of the opportunity to have a functional and meaningful life. From a humanitarian perspective, these children's rights are being violated under the Canadian Charter of Rights and Freedoms, the Ontario Human Rights Code, the Ontario Education Act and multiple United Nations conventions and declarations.

Ontario has the knowledge and the tools to better treat kids with autism and we must put them to better use for their sakes and, ultimately, for the good of society. We must remember that an investment in kids with autism is an investment in Ontario's future, and that properly investing in them now is essential to preventing ballooning social costs and critical to building an inclusive and prosperous society.

1340

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. Mr. Arthurs?

Mr. Wayne Arthurs: Thanks so much for being here this afternoon; very informative.

Just so I can recapture for my purpose—and please correct me or fill in the blanks; I was trying to take some notes as I went as best I could. It's generally recognized over about a decade or so that some good strides have been made in some areas, particularly ABA therapy for the kids. Current funding on an annual basis from the province is about \$150 million into the overall system.

Ms. Sharon Aschaiek: Yes.

Mr. Wayne Arthurs: There are waiting lists for access of periods of two to four years—

Ms. Sharon Aschaiek: Or longer.

Mr. Wayne Arthurs: Or longer. What are the age groupings that that falls in? Primarily very young children? Because you mentioned, obviously, the lifelong nature of autism.

Ms. Sharon Aschaiek: Sure. The kids who are on the waiting lists are mainly preschoolers. We know that ABA is meant to be started in children's early years, at the start of their early years, so two or three. These children start waiting at about two or three and typically don't receive service until about five or six. That wait varies from region to region.

Mr. Wayne Arthurs: Okay. The numbers you were talking about—did you say about 1,350 receiving service and 1,650 on wait lists?

Ms. Sharon Aschaiek: Roughly, yes.

Mr. Wayne Arthurs: So about 3,000 children in totality—I'll call it "in the system"—from the standpoint of either they're getting service or have been identified for service and are waiting, because that certainly doesn't capture the entire population with autism of a greater or lesser degree.

Ms. Sharon Aschaiek: That's right. I mean, one of the things I didn't have so much time to mention is that there are children who are being denied access into the program because they are being classified as either too mild or too severe. But we know and the signs show that kids with all levels of autism can benefit from ABA and have improvements in their quality of life. So there are lots of kids who are shut out of the system, and that's obviously not included in this total picture.

Mr. Wayne Arthurs: Right, okay. And your primary recommendation, as I understood it in the presentation, would be to develop or use a model that would provide for direct funding, to the family, presumably, for them to acquire services of their choice within probably a range of options that might be available, as opposed to agency funding?

Ms. Sharon Aschaiek: Right.

Mr. Wayne Arthurs: Because it's making or presenting the case that the agency funding—and/or through the education system—is not providing the service level in the most cost-effective manner possible.

Ms. Sharon Aschaiek: That's right.

Mr. Wayne Arthurs: Okay. And you reference costs in the scope or range of \$50,000 per annum for a family. Based on the \$150 million, you're suggesting that all

3,000 children who are currently being provided service or are on a current waiting list could have funding in that range, based on the current funding model that's available.

Ms. Sharon Aschaiek: If we looked at the budget as it is right now, if we moved to a direct-funding option and if we spent that budget directly on ABA as opposed to some other services that it's being spent on. For instance, part of that budget goes to respite services, which is essentially babysitting. That provides some relief to families, but our members across Ontario, when we poll them and when we're out in the community, say they'd much rather have that money go directly towards ABA therapy versus respite, because that's what their children really need.

Mr. Wayne Arthurs: Okay. Thanks so much for your presentation.

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

ONTARIO FEDERATION OF LABOUR

The Vice-Chair (Mrs. Laura Albanese): I now call on the Ontario Federation of Labour to come forward. You will have 10 minutes for your presentation and that will be followed by five minutes of questions.

Mr. Sid Ryan: Okay, great. Thank you.

Thank you for the opportunity to make a presentation today. I'm joined by Sheila Block, the researcher for the Ontario Federation of Labour. I'm Sid Ryan, the newly elected president of the Ontario Federation of Labour. The public and private sector unions affiliated to the OFL represent more than one million working people, so on their behalf I'm here to talk about what Ontarians need from next month's budget.

But first, I want to congratulate the government on having taken Bay Street's advice in the midst of the recession. It was just about this time last year that the folks from Bay Street told you they needed your help. They talked to you about the importance of government intervention, what it would take to stabilize financial markets, ease up credit conditions and keep the economy moving. And they were right. Governments have been successful.

Through concerted, effective government intervention, financial markets have stabilized. Through concerted, effective government intervention, the prolonged global depression that we all feared has been avoided. The stock market has bounced back, bankers on both sides of the border are feeling better, and economists are telling us that the recession is over.

But now that things are better for the folks on Bay Street, they seem to have forgotten those valuable lessons of last fall and winter, the lessons that unregulated markets are not always right, governments have to do more for economic stability than to stay out of the way, and governments play an essential role in stabilizing the economy and setting out rules to ensure that markets

don't run amok. Because things are better for the folks on Bay Street, they want to backtrack on their own advice of last year. They're talking to you about the grave dangers of the size of the deficit and about how we've got to get our fiscal house in order. They're talking about debt-to-GDP ratios and government borrowing costs. I'm going to talk to you about those issues too—they are very serious issues of public policy—but not in the way the folks from Bay Street are talking. They want to go back and pretend the last 18 months didn't happen. Well, that's not possible.

The stock markets may have recovered, but without a jobs recovery, there is no recovery. There is no recovery while far too many Ontarians continue to look for work but can't find it. There is no recovery while far too many Ontarians struggle to make ends meet on part-time and casual hours. There is no recovery while far too many Ontarians are trying to survive from one temporary paycheque to another. There is no recovery while Ontarians who do have good jobs wonder whether they'll be able to keep them from one day to the next.

When you go back to your ridings and look your constituents in the eye, you will see the fear: for themselves, their kids, their neighbours and their communities. If you know your constituents and your constituencies—and I'm sure you do—you know that no matter what you read in the business pages, there really is no recovery yet.

That is why you must deliver the message to the folks on Bay Street that now is not the time for backtracking on their own advice. When they needed government intervention, they got it. Well, working people need government intervention now. So I'm asking you, when you're talking to the people of Ontario and the folks on Bay Street, ignore the advice they're giving to you about paying down the deficit instead of creating and preserving good jobs. Stick with the advice that they gave you last year. They were right the first time.

In their talk of how we entered a new era in which we just can't afford to do certain things, they're talking about not being able to afford to maintain public services and pay decent wages, benefits and pensions. Their race to the bottom doesn't include CEOs and the wealthy, only ordinary people and their families. That's politics, not good economic policy. That's feeding into a mean-spirited society in which we try to convince those who are doing without that they can't have those decent wages, benefits and pensions. We try to convince them the only way to level things out is to take from those who have something. That's nasty politics, and that's what's behind the calls for deficit reduction. We need good economic policy, but if you follow Bay Street's advice of this year, you'll be following them down the road of bad politics and bad economics. This budget has to be about jobs. Paying down the deficit won't create good jobs, but creating good jobs will pay down the deficit.

I want to tell you in my remaining time why that is the case. There's a general agreement among economists that the recovery is fragile and dependent on continued government stimulus. The deficit is of concern—of course it

is—but it is not the first and most immediate concern. Our debt-to-GDP levels are still consistent with previous downturns. Recent research shows that we can expect the budget to move back into balance in five to six years without government intervention of any kind. The most effective way to address both the deficit and the economic crisis is to make this budget about getting Ontarians back to work at good jobs and preserving the good jobs we already have. The labour movement has a five-point plan to do so.

(1) Continue to support private sector job creation, including good, green jobs. The Liberal government has provided important supports to industry in this economic crisis. This sector will need continued support through strategic use of infrastructure spending, education and training and procurement policies. Ontario needs these industries.

1350

Moreover, we need to help these industries reduce their environmental footprint by greening their processes and their products. The Green Energy Act provides a model of the kind of policy environment that supports this kind of transition. The government should build on this effort by expanding this year's infrastructure investments in retrofit programs and expanding the transit infrastructure investments. It should negotiate with the federal government to redirect more of this year's fiscal stimulus spending to these areas.

All of these programs should have a strong buy-Ontario component. This will build our industries and ensure that we get maximum value from the tax dollars that we spend.

(2) Don't cut public services. The public sector is vital to our well-being. It provides public services to all Ontarians. Cutbacks hurt people, cost jobs and reduce economic activity. They run directly counter to the effects of their important stimulus programs already being implemented.

(3) Do provide support for employment through training, retraining and support for child care. Good jobs must be supported with improved access to child care, education and training. This budget must increase funding for the Second Career program and improve access to skills training for social assistance recipients. It is also crucial that the budget provide enough funds for both existing and new child care services.

(4) Don't cut the provincial corporate income tax rates. Ontario has a very competitive corporate tax system. Competitiveness and investment location decisions are based on a wide range of factors, including physical infrastructure, education, education level of the workforce, and the quality of government programs, such as health care. A further corporate tax cut would be an untargeted, ill-advised use of scarce resources. The planned corporate income tax reduction should be reversed.

(5) Do support precarious workers in their struggle for good jobs. The Liberal government has made progress in protecting these vulnerable workers with amendments to

the Employment Standards Act for workers who are employed by temp agencies. It has also improved protection for live-in caregivers. These rights, however, must be enforced. Last year's budget's increased funding for enforcement by \$4.5 million out of a promised \$10 million. This budget must follow through on the government's commitment and allocate the remaining \$5.5 million.

Ontarians are facing a 21st-century labour market with 20th-century legislation. Concurrent with the upcoming budget, the government should commit to improving the Employment Standards Act and the Labour Relations Act. With next month's budget, the Ontario government has the chance to ensure a continued and sustained recovery. It has the chance to get Ontarians working and keep them working. It has the chance to turn things around. For the sake of families and communities across Ontario and for the sake of long-term, sustained recovery, I hope the government makes the right choices. Thank you for your time.

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

Mr. Peter Shurman: Thank you, and thank for your presentation, Mr. Ryan. It's good to see you here. I wondered when this day would come.

With the hat that you now wear being divided between the public sector and the private sector, we tend to agree on some things, at this point. That once wasn't the case. But, I'm interested, especially in light of listening to people like ETFO yesterday, whether or not you agree that the public sector, at this point, is just a little bit bloated. I'm not part of what you talk about when you say "Bay Street" in a blanket way, and you began your presentation by sort of accusing Bay Street of wanting deficit reduction. Our party has called for a freeze on new spending until we address earlier priorities. But I notice that we've added 185,000 net public sector jobs during the period of time Dalton McGuinty has been in power. We think that's too much. I'd like to hear your reaction.

Mr. Sid Ryan: Well, Peter, it is nice to be able to agree with you on some issues. You should come back on the Michael Coren show, maybe, and we can disagree.

Mr. Peter Shurman: One day.

Mr. Sid Ryan: One day. You know what? I don't agree that we've actually expanded the public sector to the point that it is unsustainable. I guess that's the essence of your questions, in some ways. The services that we provide in the public sector, of course, are services that the public wants and they need, whether it be child care, whether it be health care or whether it be education. I mean, where would the Conservatives propose that we begin to cut? What part of the health care system do you want to eliminate? What part of the educational system do you want to eliminate? What child care programs do the Conservatives want to get rid of? These are the programs that Ontarians are telling us they desperately need. By the way, if you happen to live in northern Ontario or any one of those other communities that are hard hit, the public sector jobs are about the only

services and jobs that are keeping the economy afloat in those communities. The vast majority of communities across the north are flat on their back because the manufacturing sector has essentially evaporated. If you're lucky enough to be in a community that has a hospital with good-paying public sector jobs delivering good services that people need; if you happen to be in a community that has a university—there are a few of them in the north, but only a few—these are the kinds of jobs that are keeping them afloat.

Maybe the Conservatives would like to tell us which communities you want to put into jeopardy across the north and which services you want to put into jeopardy across the entire economy so you can be able to say that McGuinty has added these extra jobs and somehow is destroying the economy because he has actually infused some dollars into the health care system, for example.

Mr. Peter Shurman: When we're talking about a freeze where we don't add net new dollars, where we haven't addressed issues that already exist, things like—I'll go back to the ETFO example. The early childhood education initiative is going to cost a billion and a half dollars. When we've been out on the road, in places such as the ones you referred to, listening to community groups and self-help groups say, "We really need funding for mental health," where we have heart-rending proposals from people who have taken great pains to come and see us and who have a hard time even articulating what they need and who are living under the poverty line—knowing your background, I think you'd agree that we need to take care of what's there rather than worrying about what's not.

Mr. Sid Ryan: Let's take a look at that for a moment. Say, for example, you put a freeze on health care spending. We already have the hospital budgets act, which essentially forces every hospital in the province to come in with a balanced budget, and if they don't, then they have to start cutting services. So if you put a freeze on hospitals right now, and inflation is running at 2% and 2.5%, you're effectively saying to every hospital in Ontario, "You've got to cut back by 2%, 2.5%, which means you've got to lay off nurses on the front line." That makes absolutely no sense to me economically. It makes no sense to me in terms of delivery of a program—

Mr. Peter Shurman: We haven't advocated that. The 2% you're talking about—

Mr. Sid Ryan: But you just said you want to put a freeze in on social spending across the province. That means you're going to put a freeze on hospital spending—

Mr. Peter Shurman: That's not what it means. It means that you're not going to go ahead and build on a deficit that's already \$25 billion, and you're going to find efficiencies—and there are plenty of them—within what's there.

Mr. Sid Ryan: Well, now you're sucking and blowing. You don't know what you want. Do you want a freeze or do you not want a freeze? You just said you'd

like to have a freeze. Now I've pointed out to you the folly of a freeze. Now you're sucking back and saying, "I didn't say that." Well, in fact you did.

Mr. Peter Shurman: You're putting words in my mouth. A freeze means you don't spend more when you haven't taken care of what you've got.

Mr. Sid Ryan: I don't think so, Peter. At the end of the day, if you start putting a freeze on public sector spending, you know you're going to hurt the most vulnerable in this province. You know you're going to kill the social programs such as education and health care. We know, for example, those retraining programs that people are desperately looking for—the 200,000 who have been put out of work since the beginning of this recession are desperately looking to government for training and retraining help. If you're going to put a freeze on those programs, you're going to freeze those people out—

Mr. Peter Shurman: Well, they're sure as hell not going to get it from this government, and you and I both know that.

Interjection.

Mr. Toby Barrett: Thank you, Chair—

The Vice-Chair (Mrs. Laura Albanese): Actually, we only have five seconds left, so not much could be said in that time.

Thank you for your submission this afternoon.

Mr. Sid Ryan: Thank you very much. It was fun.

REGION OF PEEL

The Vice-Chair (Mrs. Laura Albanese): I'd now call on the region of Peel to come forward. Good afternoon. You will have 10 minutes for your presentation, and that will be followed by five minutes of questioning. If you could kindly state your name before you begin. Thank you.

Mr. Allan Thompson: My name is Allan Thompson, town of Caledon regional councillor from Ward 2 and chair of the intergovernmental relations advisory committee at the region of Peel.

Joining me here today are David Arbuckle, manager of public policy for the region of Peel, and Sonia Mistry, policy adviser for the region of Peel.

I bring greetings on behalf of our regional chair, Emil Kolb, and the entire regional council. We wish to thank you for allowing us to provide input on your 2010 provincial budget.

The region of Peel recognizes the difficult environment the provincial government faces to stabilize Ontario's economy while preserving the key services our citizens enjoy. As the province moves forward in preparing the 2010 budget, we encourage the provincial government to maintain a balance of priorities. We strongly believe this current economic transition presents the provincial government with an ideal opportunity to develop policies and support programs that better utilize the strengths and assets found across Ontario.

Leveraging key assets, such as a skilled and diverse workforce, a growing and vibrant immigrant population, as well as integrating the extensive transportation infrastructure network, will prepare Ontario for economic recovery.

1400

Supporting and collaborating with municipalities such as the region of Peel on innovative initiatives to address longer-term and persistent challenges, such as poverty and gridlock on our roads, will also help the province meet its overall objectives of job creation, fiscal management and economic growth.

Peel's profile: The region of Peel is a rapidly growing community with a diverse population of 1.35 million people. It is a vibrant part of the GTA. Further, we have nine provincial electoral ridings and have over 90,000 businesses within our borders of Peel region.

Peel has undergone a major transition during the past few decades. Rapid population growth and commercial development have transformed what was primarily known as a rural area into a dynamic blend of urban, industrial and residential areas.

Peel has also welcomed more than 560,000 immigrants, representing 93 ethnic groups, into the region. Immigrants are the fastest-growing group in Peel. On an annual basis, Peel attracts 34,000 new residents. Out of that, 27,000 are immigrants that come into Peel each year. At this pace, by 2031, Peel's population will reach over 1.57 million.

The rapid growth and transformation has introduced much strength to Peel's municipal landscape. It has also, however, brought significant challenges that must be addressed. Peel region and our communities have developed and demonstrated determination in dealing with these complex challenges by developing innovative programs and maintaining a high level of service delivery.

This commitment to quality has been recently recognized with Peel being the first government in Canada to receive the National Quality Institute's Canada Award for Excellence. This award recognizes Peel as a leader in responsible government that develops and delivers innovative programs and services to meet the growing, unique and complex needs of the cities of Mississauga, Brampton and the town of Caledon.

However, in a time of economic uncertainty, combined with our rapid growth and transformation to our municipal landscape, the region faces many obstacles in addressing these issues. Some of these challenges include the impact of gridlock on goods and services movement that directly affects our local, provincial and national economies; a rapidly growing and high level of child poverty; a strain on services to meet the needs of new immigrants; a high social housing waiting list; and significant off-load delays for patients arriving by ambulance at our hospitals.

As such, the region of Peel continues to be a willing partner with the province in achieving overall economic growth and prosperity.

With our growth challenges, all Ontarians should enjoy living in strong communities that benefit from similar investments in human services. However, in fast-growing urban areas such as Peel, we see that funding for social and community agencies and municipal service providers is not keeping pace with the growth of the population. This needs to be addressed so that funding is provided on an equitable basis.

We're encouraged that the government has begun to review a number of funding formulas that have a direct impact on the inequity—namely, social assistance funding and children's aid society funding. However, there are still a number of funding gaps in human services that are either the result of a lack of provincial funding or inequitable funding, which places residents at risk, especially in high-growth areas that we're experiencing.

New immigrants: As mentioned earlier, the region of Peel is experiencing significant population growth, driven mostly by high numbers of new immigrants settling in the Peel region. New immigrants bring with them a vast amount of resources, knowledge and skill sets which will diversify the province's workforce and help Ontario succeed, increasingly, in the global economy.

However, new immigrants make up 18% of Peel's total population and are experiencing high rates of poverty and underemployment while scoring high on a variety of skills and education indicators. For immigrants arriving to Peel from 2001 to 2006, several barriers have prevented them from accessing the type of employment that meets their credentials. As a result, in Peel, 33% of the new immigrants are living in poverty.

To help integrate new immigrants, we encourage the province to help develop, in collaboration with the municipalities, policies and programs that support effective integration of newcomers into the workplace.

We are asking the province to support the fast-tracking of foreign credentials assessments to be used to evaluate qualifications and certification in regulated and non-regulated occupations.

Child poverty is an issue throughout Ontario and the greater Toronto area. Make no mistake, the annual child poverty growth in Peel is 1% per year. Peel's situation is unique and in desperate need of innovative solutions. In 2006, we had close to 61,300 children living in poverty. Actively addressing child poverty in Peel would help the province significantly in achieving its poverty reduction target of 25% by 2013.

The region was pleased with the release of the province's poverty reduction strategy, *Breaking the Cycle*, as well as the *Roots of Youth Violence* report. Both initiatives have strong support in our communities and they are viewed as important building blocks to address child poverty. In fact, with already well-established relationships with community partners, Peel is ready to collaborate with the province to introduce important initiatives to help address child poverty.

We have developed two initiatives—Families First and the community hub demonstration proposal—which

use an integrated approach to address poverty issues. We are encouraging the province to meet with regional staff to further discuss implementation of these programs. We are encouraging the province to convene a formal committee that includes key senior officials from the provincial government, the region of Peel and community stakeholders, which will improve the understanding of the unique challenges that face our region and come to learn the true face of poverty in Peel.

Affordable housing: I have a real challenge with affordable housing. I feel it should be low-income housing, and I know it's stained as a bad word, but it is what it is. The region strongly believes that housing is critical in helping families living in poverty establish the stability they need to turn their situation around. With the region of Peel's high incidence of child poverty, affordable housing is essential to help create a stable and healthy environment for successful child development.

Access to affordable housing is also an essential element required for the efficient integration of new immigrants, since 60% of our newly arrived immigrants spend at least half of their income on housing. With a rapidly increasing new immigrant population and 33% of new immigrants in Peel living in poverty, the region of Peel does not have the capacity to meet the housing demands.

We currently have 13,500 families in the region of Peel waiting for social housing units. Further, a family being placed on Peel's waiting list for social housing units could wait up to 21 years, and we're building and adding all the time. To address these issues related to affordable housing, the region of Peel encourages the provincial government to work with the federal government to adopt policy changes that address the wait-list-demand issues that we have to deal with.

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

Mr. Allan Thompson: Thank you.

We also believe the province should encourage the federal government to develop this strategy.

We recognize that health care spending is a significant portion of the provincial budget. As such, the region of Peel has focused on developing initiatives, such as Peel's dedicated offload nursing program, which will lead to long-term cost savings.

While the provincial government has made great strides to reduce emergency department waits times, more needs to be done to reduce the long offload delays Peel's paramedic services experience when transferring patient care to emergency departments. Peel's dedicated offload nursing program is one of several initiatives that have helped to reduce offload delay. This program, initiated by the Ministry of Health and Long-Term Care in high-growth communities, has saved 6,000 paramedic service hours between January and June, 2009.

The Vice-Chair (Mrs. Laura Albanese): Thank you. Unfortunately, the time has expired. This rotation goes to the NDP. Mr. Prue?

Mr. Michael Prue: Thank you very much. We had a group earlier this morning called the Peel Poverty Action

Group, and they pretty much said the same things as you are saying, although they were a little more colourful, I think. They had a gentleman there who worked with—he called them drug addicts—people who were dependent upon drugs, and what was likely to happen if they didn't get service.

Peel seems to be underfunded in almost every way when it comes to social services, when it comes to housing, when it comes to children's aid—you go down the list. Why is it that Peel is getting so little money? Are you not applying for it? Is the government refusing to give it to you? Why aren't you getting it?

1410

Mr. Allan Thompson: A very good question, and yes, we have been constantly hammering away at it. The formulas that work in all departments—let's talk about libraries, for instance—what they've never factored in is the growth.

Peel has been a vast growth area. As I have said, we're growing at 34,000 people per year. The factors in the funding formulas work on the population numbers, and everything has been frozen back in time in the mid-1990s. No matter what we go to do, our equations never make it up. It doesn't make it on social services; it doesn't make it on anything.

We have to change the formulas. If we're taking this growth, we need help. We need the support to make it happen. We're pulling money out of other resources to make up the difference.

Mr. Michael Prue: The government relies on the census every 10 years, and the census is always at least three or four years behind by the time it comes out. Are you suggesting that the government give up on census data and look at actual data?

Mr. Allan Thompson: It would be nice, but it would be nice if we used the latest census data. I have to say that all the previous governments in the past—it just has not advanced. The cutbacks we got under the Harris regime have never been picked up by the Liberal government to bring everything forward. We're working on numbers from back in the 1990s on our ratios—especially on libraries—and with the massive growth that we've got. You're supposed to be getting \$2 per person; in Caledon, it's 58 cents, in Brampton, it's 19 cents, and in Mississauga, it's 33 cents because it all factors on growth. It has never kept up with the equation.

Everything that you're saying on the shortfall has been picked up on the backs of the property owner in Peel. It has come off the property tax, when it should be the responsibility of the province. We understand the problem we have with the province, but it's the formula that is flawed and we've got to fix it. They've never factored in growth, and it has got to be dealt with.

Mr. Michael Prue: Recently I saw something about Peel children's aid being just about out of money and threatening to have to close down. What is the problem there? Is it the same thing? Are they not being funded by the government? Because that's on a per person basis, or a per case basis. Why is Peel children's aid in trouble?

Mr. Allan Thompson: Again, it's never been factored.

The key thing is that the funding has been cut back at the province. There are 48 agencies, I do understand—or maybe it's 52, I think—that are all in the same boat as we are. The big killer with us again is the growth, and the big thing is that we've got communities all over where we've done good planning. We've integrated the low-income people in with the whole group. We do not have an area that's a poverty-stricken area; it's in all of our clusters in Peel, and that's why it's lost. It's almost like those are lost people.

That's the challenge: We've never factored the growth. We've done what we've been told to by the province and the feds to take all this on. I think because the Toronto international airport is a key factor in bringing people in, that's why they migrate to the Mississauga-Brampton area.

But the big thing is we definitely need the help. It isn't just provincially; it's federally too. We need help from both sides.

Mr. Michael Prue: You have 34,000 people coming per year into your region, and yet there's almost no social housing being built. We heard this morning that there are 600 units being planned or considered. Some might even be being built up. That's obviously not enough, with a 21-year waiting list. Why is it, again, that with such a huge need—

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

Mr. Michael Prue: —that you've not been considered?

Mr. Allan Thompson: The big thing is that we have 1,213 units that have been in the process of being opened up over the period since 2003. We keep adding each year, but again it all costs money and we just haven't had the money to help. Everything was downloaded onto us.

We are the largest landlord—the Peel housing corporation, which is part of Peel region—of housing, period, in the region of Peel as it sits today. We would love to have the funds. If we could find the funds to make it happen, we'd love to do it.

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

Mr. Allan Thompson: I want to say that we have a report with all the numbers coming to you. I couldn't give you a copy today because I've got to get it approved at the regional council on Thursday, but you will have it by the end of the week.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. That will be distributed to all the members of the committee.

SANTA CLAUS PARADE

The Vice-Chair (Mrs. Laura Albanese): I now call the Santa Claus Parade representatives to come forward. Good afternoon. You will have 10 minutes for your

presentation, and if you could kindly identify yourself before you begin.

Mr. Peter Beresford: Thank you very much. A pleasure for all of us to be here. First, I'll introduce myself. My name is Peter Beresford. I'm the president of the Santa Claus Parade. I have served as a volunteer board member for 28 years and am certainly pleased to be here with you.

Mr. Richard Ellis: Good morning, and thank you again for having us. My name is Richard Ellis and I am also a member of the board of directors of the Santa Claus Parade. When I'm not in that job I am also the president and chief executive officer of Ronald McDonald House Charities of Canada and senior vice-president of communications at McDonald's restaurants. I want to thank the province on behalf of all of us at Ronald McDonald House for your very generous support to our organization this year.

Mr. Peter Beresford: I'm going to begin. As a full-time occupation, I'm the chief operating officer of the Royal Canadian Golf Association, although my wife thinks that is my hobby and my full-time job is the Santa Claus Parade. We're certainly going to switch gears here today. We want to talk to you about a community event that's extremely important to Ontarians.

First, I want to tell you a few things that you probably know about the Santa Claus Parade. It is a 105-year-old tradition. We became a charity 28 years ago with the help of Eaton's when we saved the parade. We run a 90-minute entertainment show. We run it on a special day in November and our stage is the streets of Toronto, and 6.2 kilometres on the streets of Toronto. But I think you know the most important facet of the Santa Claus Parade as it has been for 105 years: All the tickets to our show are free. Everyone is invited.

There are a few things you might not know. It is a 12-month-a-year business. It costs us \$1.3 million to operate the business. For the last five years on average we've run the business as a break-even business. We have seven full-time and seven part-time employees, but importantly, we have a 21-member board. They're all volunteers who spend hundreds and hundreds of hours in committees to make this business a viable business. Most importantly, we're the largest show of our kind in Canada. In fact, we've become iconic in the hearts of Ontarians.

If you were to visit our warehouse you would see props and archives that are 50 and 60 years old. It's almost like opening a window to the past. In fact, we're a treasure chest of history for Toronto and Ontario, which brings me to my friend right here. My friend is 59 years old. He's the head from an upside-down clown that appeared in the parade in 1951.

You'll notice that we provided you with a colouring book. I doubt that anyone has done that over the past few days. It's actually a reproduction of a 1951 Eaton's colouring book. Eaton's provided those colouring books for free to everyone who arrived at Toyland and they actually reproduced the parade for that year. In fact, on one page you'll see this fellow in a line drawing and later

you'll see it in a black and white photo and you'll see how he appeared in the 1951 parade. You'll see lots of other great pictures. You'll see a wagon with four clowns being pulled; that was from the 1953 parade. We still have two of those props that we use today. There is great history in the Santa Claus Parade. You'll see at the very end how, in 1951, Santa would walk up a staircase and go to Toyland, and then you'll see some black and white pictures afterwards.

I show those to you, first to see the amazing crowds that we experienced then and we experience now; and secondly to rekindle your spirit, to remember when you were young, because I would bet that each of you, having visited the parade, would have seen an upside-down clown. Most importantly, my message today is this: We are the custodians of this cherished family tradition in Ontario. It is a Canadian icon that is rooted in Toronto. Our job is to grow this parade, to grow it with participation and with passion from all citizens in Ontario and remind them of our history from the past. But we need some help, and Richard is going to explain for a minute what we need.

1420

Mr. Richard Ellis: Thanks, Peter, and good afternoon again, everyone. I wanted to spend just a few minutes, now that Peter has given you some history, to talk a little bit about the business case for the parade.

As Peter said, the parade is really a hallmark of Ontario's cultural landscape in many ways. It draws on artists, performers and artisans from right across the globe and has been doing that for more than 100 years, as we said. All of the parade's floats, costumes and marching bands are organized by this very tiny staff of seven people who Peter talked about earlier, and the parade has an annual operating income of \$1.3 million.

How exactly do we pay for our costs? Well, we do that in a couple of ways. For those of you who have seen the parade, you know that we kick off every year with celebrity clowns—in 2009, more than 200. These are businessmen and businesswomen from across the GTA and indeed across Canada who raised over \$200,000 for us this past year, which helped us with our parade costs. In 2009, we also sold a total of 26 individual floats to corporate sponsors across the country at the cost of \$40,000 each for just over \$1 million.

But we're a non-profit organization, and as Peter said, we've been completely self-sustaining since 1905. We do run ourselves on a very lean budget and we break even at the end of virtually every year.

The Santa Claus Parade, as you all know, is a very important component of Ontario's tourism agenda. We have very significant spinoffs not only for the province, but for individual business owners and shopkeepers here in the city. We are the largest parade in the city, as Peter said, and as a result, businesses all across our route, big and small, have a very significant financial boost from the parade during the weekend, when we bring all of our guests in. The parade, we believe, can assist the province in its efforts to double the amount of tourism receipts that

we receive here in the province by 2020 by attracting even more people as the parade continues to grow and prosper.

Over time, more and more floats have been re-utilized. We've tweaked our operations in an effort to bring the parade to the people of Toronto, Canada, and around the world, in some broadcast cases, by being as cost-conscious as we can, but rising inflation costs, utility costs and the like have meant that there has been a big hit on our revenue.

Our ask: As we said, the difficulty in increasing sponsorship income, inflationary pressures, and insurance and utility costs have been very prohibitive to us and we now find ourselves moving forward in a deficit position. With respect, we are asking the committee to consider helping us find a new home for our operations—a "parade warehouse," as we call it.

We're requesting support from the McGuinty government in the form of this new home, either physically or in equivalent funding over the next two years, to keep the annual parade afloat. There are a number of buildings that we know are currently available, in some preliminary discussions with the province, but they will need significant renovation. If that were the case, we would also respectfully request an additional \$500,000 to cover those costs. All in, we are looking for in the range of \$3.5 million to \$4 million in provincial funding to help us find a new home for the Santa Claus Parade.

The parade is very grateful to the province for supporting us in a small financial way this past year. We really couldn't have done that without you, but we need more.

With that closing, I'm going to turn it back to Peter. Thank you.

Mr. Peter Beresford: In simple terms, Santa needs a new home. Our 28,000-square-foot warehouse, which we've used for 28 years, is just simply not enough. We need to expand to at least a 40,000-square-foot warehouse.

One of the great examples: In the back, we have five large transport trailers full of props from the 1940s, 1950s and 1960s. We can refurbish them and reuse them in a bigger facility and bring them to life to rekindle the spirit and the tradition that Ontarians have known for 105 years.

You will remember, I hope, when you were young, or with your own children or grandchildren. We are told that grandparents and parents bring their children back to the same spot every year that they enjoyed when they watched the parade. That's the richness of the history of something that is very unique to Ontario.

We're proud to be the custodians of this tradition and we're certainly pleased to be able to present it to you today. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your presentation. This rotation will go to Mr. Sousa.

Mr. Charles Sousa: Gentlemen, thank you for being here today. It's unfortunate that the big guy's not here personally to make this ask—

Mr. Peter Beresford: We tried.

Mr. Charles Sousa: —but I appreciate and understand he's a busy individual.

About 15 or 20 or so years ago, I managed the Santa Claus Parade's banking arrangements. I recall then some major individuals and companies stepped up, basically to save the parade from the demise that it was undergoing during that transition. I commend you both and others who volunteer to do that work and continue to do it. I can attest to my fellow colleagues around the committee that it is a year-long endeavour, with a lot of preparations from across Canada in order to make it happen. I think we all recognize the importance and the footprint that the parade brings to the city of Toronto and, for that matter, to Ontario and Canada, and the mark it has in establishing the spirit of Christmas and the holiday season.

If I recall, they used to have the warehouse at the 401 and Dufferin. I'm not sure if that's still where it's located.

Mr. Peter Beresford: Weston Road.

Mr. Charles Sousa: Yes. Can you give me a sense, then, is the reserve at \$2 million still, today?

Mr. Peter Beresford: No. The reserve was never at \$2 million. The reserve at its highest was under \$1 million. I was part of the group that helped save the parade, having then been George Cohen's executive vice-president. Eaton's gave us all the costumes, all the props, which was generous. We were able to raise enough money to build the reserve to somewhere just about \$900,000. That reserve today sits at around \$500,000. Any of you will know that with operating costs of \$1.3 million annually, the best charitable organization is one that has a reserve equal to the annual operating costs. We're about half of that right now, but our bank is about \$500,000.

Mr. Charles Sousa: Yes. I notice here that you are trying to establish a \$2-million mark, which is appropriate.

Other jurisdictions around the world—can you give us a comparison? Is there another establishment that you can—

Mr. Peter Beresford: I am proud to say there is no one like us in the world. We are the longest-running children's parade in the world, which makes us certainly unique. We're not the largest parade. There are many others, Macy's and the Rose Bowl parade or others. But, as a children's parade, we're the largest in the world, and I'm proud to say we've taken it abroad and broadcast it. I took it to Russia as part of my McDonald's work. We take it to New Zealand, Australia, Ireland, Norway and the United States. It's seen extensively around the world, but we're very unique.

Mr. Charles Sousa: Congratulations. I compliment you both. I appreciate your ask, and we'll take it back to our group. Thank you.

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

Mr. Peter Beresford: Thank you all, and my friend the upside-down clown thanks you as well.

ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Vice-Chair (Mrs. Laura Albanese): Now we call on the Association of Municipalities of Ontario, AMO, to come forward. You will have 10 minutes for your presentation, and if you could kindly identify yourself before you begin.

Mr. Doug Reycraft: What an act to have to follow.

Madam Chair, members of the committee, good afternoon. My name is Doug Reycraft. I'm past president of the Association of Municipalities of Ontario and mayor of the municipality of Southwest Middlesex. AMO's president, Peter Hume, unfortunately is not able to be here this afternoon due to the funeral of a close family friend.

I will be making some comments that relate to some of the areas in our written submission, and I believe that's been distributed to you. You might want to just keep an eye on the chart that's on page 11 of that written submission, which has a summary of our presentation.

The global economic developments of the past year have had a profound impact on every order of government in Ontario and on many Ontarians themselves. The response of every order of government has been equally profound. The economic stimulus plan seems to have propelled recovery up to this point. It has resulted in massive infrastructure investment, the majority of which is owned and operated by municipal governments. For every federal dollar spent and every provincial dollar spent, a municipal dollar has been spent too.

1430

We know the impacts. Federally and provincially, each has announced massive budgetary deficits. For municipalities, the bill is still being tallied. It will be big. It will limit debt capacity in some municipalities and will draw down on their capital reserve funds. For others, it will require higher operating costs, especially where new transit is provided.

We know that the 2009 infrastructure spending is not a sustainable level of investment for any order of government.

Ontario municipalities were eager and willing participants in taking the necessary measures to help halt the economic decline. Each municipal council chose to match those investments. They did so based on the knowledge of the ongoing cost-sharing arrangements, which include the 10-year plan for social service cost uploads of the Provincial-Municipal Fiscal and Service Delivery Review; the agreed-to provincial funding agreements for programs like land ambulance and public health; and the stability of equalization payments offered by the Ontario municipal partnership fund, to name but a few.

The wisdom and importance of each of these existing agreements is all the more important today. Changes to these understandings would plunge many municipalities into deep and frigid economic and financial waters.

For too many years, municipalities were forced to divert billions away from infrastructure investment to pay

for social services. The start of uploading of social service costs helped municipalities match every federal and provincial dollar this past year. When fully implemented, the upload will eliminate the financial exposure that property taxpayers have shouldered for far too long. The structural cost-sharing changes are long overdue and are good public policy.

In looking to the future, the Association of Municipalities of Ontario is seeking, first, a re-affirmation of the current cost-shared arrangements that provide predictable municipal funding; secondly, improved economic development opportunities with enhanced financing tools; and thirdly, reduced municipal insurance and liability costs by rebalancing municipal liability exposure.

Municipal governments receive funding through the Ontario municipal partnership fund and several other cost-sharing formulae. Changing these funding relationships is not the vehicle for dealing with the provincial deficit. It will place more burden on property taxes, widely noted as the most regressive of all the sources of taxation and the only one available to municipal governments.

In addition, AMO and its member municipalities are awaiting the government's confirmation that it will proceed with the 2008 reconciliation of the OMPF amounts, followed by the 2009 reconciliation. Each year, the government estimates its social service costs for municipal service delivery when making the annual OMPF allocations. Reconciliation adjusts for actual costs incurred, not estimates. To illustrate the difference, for example, in one eastern Ontario county it represents \$650,000 for 2008 alone.

We caution the government not to fix its deficit by renegeing on reconciliation. A positive announcement regarding the government's plans to reconcile actual costs for 2008 and 2009 is needed soon.

We have agreed that where actual-to-estimated costs go down, there would be a dollar-for-dollar reduction, and the corollary is also true: If caseloads go up and benefits cost more, then the province must pay its share of actual costs. That's good public policy too and that's what makes for good partnerships.

We acknowledge that the province has provided municipalities with a stable funding guarantee for the past five years. The announcement of the 2010 OMPF allocations was marked by the withdrawal of that guarantee.

In 2010, nearly 50 municipalities will weather a provincial funding cut with an equivalent tax impact of \$30 per household on average, and for some, up to \$85 per household. No municipality should receive any less funding in 2010, nor in any future year.

For some municipal governments, the loss of the stable funding guarantee, a retreat on reconciliation, or changes to other cost-sharing formulae would have dramatic consequences. They would become an enormous household property tax burden. We caution the government against going down these routes.

This past year's infrastructure investments have helped narrow the infrastructure gap but it remains wide, particularly when the housing stock that was downloaded in the late 1990s is added in.

While a sustained infrastructure at the 2009 level is impossible for any order of government, continued investments will need to be made in the future if we are to continue to close the infrastructure gap. Turning the tap off in 2010 assumes that the infrastructure gap is no longer important and that economic recovery is achieved. We suggest otherwise and recommend that the province continue to use infrastructure funding as a strategic vehicle for economic recovery.

AMO also urges the government to undertake a targeted infrastructure investment initiative to continue to upgrade small municipal water systems. In addition, AMO seeks some enhanced financing tools to leverage additional infrastructure investments. The first is moving forward on the review of the Development Charges Act. The charges currently permissible under the act do not uphold the principle that growth should pay for growth. The current policy is exacerbating the infrastructure deficit. The burden must be shared more equitably.

The second tool municipalities seek is the legislative provision to create a provincial fund for the remediation of existing brownfield properties. It would be financed by levying industry or commercial enterprises which have a higher risk of contaminating lands. Additional details regarding these and other financing tools are contained within the written submission. That written submission also explains a few other tools that would be helpful to residents and to the economy.

The third and final point I would like to raise with you today is the issue of municipal liability reform and insurance costs. Viewed as deep-pocket defendants, municipalities are increasingly becoming the targets of litigation. Because of joint and several liability, a disproportionate burden is placed on municipalities. It has caused municipalities and/or their insurers to settle out of court to avoid protracted and expensive litigation for amounts that far exceed their degree of fault. It has forced municipal governments to scale back the scope of the services provided to citizens. In addition, it has resulted in insurance premium increases for some municipalities of 47% in 2010 alone.

Many common-law jurisdictions around the world have adopted legal reforms to limit the exposure and restore balance while preserving the rights of aggrieved parties. Other Commonwealth jurisdictions and the vast majority of state governments in the US have modified the rule of joint and several liability in favour of some form of proportionate liability. It is time for Ontario to do the same.

The year 2008 was a turning point for Ontario municipalities. The outcomes of the fiscal review are among the most important advances municipalities have seen in decades. Significant improvements to provincial-municipal fiscal relations are under way. Restoring the balance of municipal responsibilities and revenues from the era of unabashed downloading has taken a substantial effort.

For the last 10 years, municipal leaders, economists and politicians from every party have argued that social services should not be funded from the property tax base. It took 10 years to reach agreement for that to change, and it will take eight more years for the worst of the downloads to be fully reversed. It is an outcome that will match the right service with the right tax base. The government recognized this, and we now have a co-operative strategy built on goodwill and trust between our two orders of government. Much has been achieved as a result. The 2010 provincial budget must not break that trust and goodwill.

AMO looks forward to the government's consideration of our 2010 recommendations aimed at creating a strong foundation for a prosperous future. Thank you for listening to AMO.

The Vice-Chair (Mrs. Laura Albanese): Thank you. This rotation will go to Mr. Klees.

Mr. Frank Klees: Thank you, Mr. Reycraft, and your colleagues for your presentation. It's much appreciated.

I'd like to just focus on the infrastructure deficit to which you refer and ask you this question: Does AMO have any thoughts relative to getting a handle on exactly what the infrastructure deficit is municipality by municipality? I know there are a lot of 30,000-foot-level analyses that have been done. I'm also aware that there are programs that actually deal very specifically with infrastructure analysis that allow municipalities to assess and analyze the condition of their roads, bridges and culverts, for example, which allows for a very specific detailing of not only the inventory of their infrastructure but the state of repair of that infrastructure.

1440

I would think that municipalities would have a much better handle on being able to manage their infrastructure deficit and needs, and be able to communicate much more effectively with the provincial and federal levels of government when they make their ask, if there was something formalized that allows us all to find that common ground and make those assessments on an objective basis. Could you comment on that?

Mr. Doug Reycraft: I'd like to make a couple of points. First of all, the Provincial-Municipal Fiscal and Service Delivery Review was a joint effort by municipalities, municipal staff, by the province and with provincial staff. There were a number of working tables established under that fiscal review. One of them dealt specifically with infrastructure. Then there were sub-tables or working groups created under that body. So I know that there was a fairly detailed analysis undertaken as part of the fiscal review to identify precisely, or as precisely as possible, what the infrastructure deficit was.

The conclusion of the fiscal review, agreed to by the province and AMO, was that the deficit represented something in the order of \$6 billion a year for 10 years, so \$60 billion in amount.

In addition to that, in terms of coming up with an even better quantification of the deficit, municipalities for a few years now have been working hard to meet the re-

quirements of the Public Sector Accounting Board principles with asset management programs that identify what their infrastructure expenditures are going to be well into the future, and attempt as best as possible to meet the requirements of infrastructure enhancement and replacement.

I should also mention, going back to that fiscal review—I think this is in the written report we've placed in your hands—it shows how that infrastructure deficit ranges from region to region across the province.

Mr. Frank Klees: If I could just follow up on that, I understand that and I understand the reviews that have taken place. What I have yet to see, however, and I'd like your opinion—I would think that it would be very helpful to all three levels of government if in fact there was an agreed-to strategy and program that would allow us to actually take inventory and have an inventory bank, if you will, of a municipality's roads, bridges, culverts, water mains systems and so on. That would allow us on an annual basis to make a determination where the absolute priorities are in terms of investment, so that it's not a matter of simply coming and trying to get to the front of the line for one-off infrastructure funding announcements, so that the amount that is invested is tied to an actual identifiable infrastructure need that's there, and we're not scrambling to meet a 90-day deadline for—

The Vice-Chair (Mrs. Laura Albanese): I need a brief answer, because the time is ticking.

Mr. Doug Reycraft: I think the asset management plans that municipalities are preparing now will do exactly that. I think most of those plans show that it would be very difficult, if not impossible, for many municipalities to meet their requirements, their obligations, to maintain that infrastructure without financial assistance from senior orders of government.

Certainly, the federal gas tax program has been a great assistance to municipalities in providing them with a predictable, regular stream of revenue that they can use for infrastructure improvement and replacement.

Overall, I think we are in a much better position with respect to identifying the size of the deficit than we were, say, five years ago.

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

REGISTERED NURSES' ASSOCIATION OF ONTARIO

The Vice-Chair (Mrs. Laura Albanese): I will call up the next presenter, and that's the Registered Nurses' Association of Ontario. Welcome.

Good afternoon. You will have 10 minutes for your presentation, and that will be followed by up to five minutes of questioning. If you could please state your name before you begin.

Ms. Doris Grinspun: Good afternoon. My name is Doris Grinspun. I'm the executive director of the Registered Nurses' Association of Ontario, RNAO.

We are the professional association for registered nurses who practise in all roles and sectors in Ontario. Our mandate is to advocate for healthy public policy and for the role of registered nurses in enhancing the health of Ontarians.

We are in the midst of a critical period in our province. As the province slowly climbs out of a severe recession, we find our social and physical infrastructure is strained.

Some people believe the future direction of Ontario means having to choose between cutting social programs or cutting the deficit or creating jobs instead of a cleaner environment, but we believe that forcing such choices is mistaken and unacceptable. In fact, it is precisely during these times of economic challenge that we need to implement the investments that will pay off tomorrow. Taking deficits seriously means knowing when and how to deal with them. Today, we bring you one simple message from Ontario's nurses: Keep rebuilding.

Strengthening social determinants of health: Nurses know that social and environmental determinants have a direct impact on health. We know that social inequities are directly linked to health inequities. One of the root causes of ill health is poverty. Sadly, we know that too well; we see that in our practice every single day.

We commend the McGuinty government for the leadership it has shown in creating a poverty reduction strategy. The measures taken thus far, such as modest increases in social assistance rates, are a good start, but poverty remains a distressing reality and an acute problem in our province.

We recommend the following:

- Implement the poverty reduction plan with multi-year sustainable funding so that all Ontarians can achieve their potential and contribute and share in the province's prosperity;

- Introduce a healthy food supplement of \$100 per month as a down payment toward addressing the gap between dangerously low social assistance rates and nutritional requirements;

- Stay on track and increase the minimum wage to \$10.25 per hour this March, and \$11 per hour in March 2011;

- Transform our social assistance system from a punitive and complicated one to a family-centred system that treats everyone with dignity;

- Fast-track the provincial housing plan so that people can afford safe, affordable housing in good health; and

- Implement the recommendations on child care and early education in Charles Pascal's report.

Building sustainable, green communities is also a priority for nurses. We recommend establishing clear, tough and achievable targets for reducing greenhouse gas emissions. There is a growing consensus that developed nations must reduce their emissions at least 25% below 1990 levels by 2020, and we expect nothing less of Ontario. A good start would include the following:

- closing coal-fired power plants ahead of schedule;

- setting aggressive targets to increase the green share of energy; and

- promptly implementing the government's mass transit commitment.

But clean air alone won't help us build healthier environments. We're also concerned about the impact of environmental toxics on the health of families and communities. Ontario can and must become a leader in the environmental community. We want aggressive targets to reduce the use, creation and release of toxics, and support of this reduction with a toxics use reduction institute.

1450

Enhancing medicare: It's during difficult times that we are reminded of what we have in this country and what our partners to the south don't have. In fact, most Canadians—86%—believe in our publicly funded health care system. But to strengthen it, we must protect our not-for-profit health care system and take steps to enhance it so it meets the changing needs of a changing population. Tommy Douglas said it long ago: We need to strengthen prevention to play a bigger role rather than waiting to patch people up.

RNAO is pleased with the government's commitment to open 25 nurse-practitioner-led clinics. These clinics are modeled on the successful NP-led clinic in Sudbury, which opened its doors in 2007 and already provides access to 3,000 people who previously didn't have any access to a primary care provider. Eleven of these clinics have already been announced but funding has not yet followed, so we say that now is the time for action. No more announcements.

It is shameful that in a province as rich and as progressive as ours nearly one in 12 adults did not have a primary care provider in 2008. This is a fundamental challenge in dozens of communities around the province and we must, for the sake of patients and because it also makes sense financially, urgently increase access to primary care. We are asking to open all 25 clinics this fiscal year.

There are other important programs that are cost-effective and must receive permanent funding. RN first assistants, or RNFAs, are registered nurses with additional certification in surgical assistance. A recent ministry study, already posted on your website, speaks about the effectiveness and efficiency of this role. We are asking that these positions be fully and permanently funded. They cannot continue to be a pilot project, as on March 31 they will be discontinued.

An essential component of keeping people healthy and caring for them when ill is securing access to nursing services overall. There is clear evidence linking care provided by an RN to patient outcomes such as lower mortality, lower morbidity, higher satisfaction and more engagement in the organizations. Nurses in this province are proud of their education, skills and expertise, but we need your support. Ontario's RN workforce is failing to keep pace with the province's growing and aging population. The latest figures tell us that there are 71 RNs

for every 10,000 people in the province, down from 80 in 1989, and yet acuity of patients is increasing across all sectors.

The McGuinty government has made good progress since 2007, but we're not on track to meet the commitment of 9,000 additional nurses by the election date unless we commit to fund, this year, 3,000 of those 9,000 nurses. Ontario is also lagging behind in nurse per population ratios compared to the national average. To bring that up, we will need 15,000 additional nurses. We're saying, let's meet the 9,000 by 2011 and let's deliver 3,000 of those in the 2010 budget.

There is good news in the increase of the share of full-time nurses working in Ontario. We had only 50% of RNs working in Ontario working full-time in 1998. Today, we have 65.6%. That is good news and is close to the McGuinty target of 70% full-time for all working nurses. We are asking to make progress this year again. Let's move together to 67% full-time employment. That requires both a clear message to health care organizations as well as funding.

Let me speak about building a nursing career in Ontario. Many in other provinces choose to go abroad and poach nurses; we don't do that in Ontario, and it's working. I told you about the average age of nurses: 46.3 years compared to 43.3 years in 2001. So while some nurses have put their retirements on hold because of the recession, many will retire when the recession is over—and that, thankfully, is not far away.

We are saying we need to keep our nurses in Ontario. For that, we need to do two things in 2010: continue the full funding of the nurse graduate full-time guarantee program—and we were delighted to hear Minister Matthews last week saying that that will be the case—and at the same time, we're asking the government to expand the late career nurse initiative to make it permanent and available to all nurses who are 55 and over, who work full-time or part-time in all sectors of the province. That will ensure two things: that we keep our new graduates and that we retain our seasoned, expert nurses.

Our recommendations will serve to continue to strengthen Ontarians and Ontario. They will also help us to continue to provide the kind of expert care, knowledge and quality patient care that RNs are known for. Budget shortfalls cannot and must not derail the rebuilding of this province and the rebuilding of our profession.

Thank you very much for allowing us to address you.

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

Mr. Michael Prue: Thank you for your deputation. I read about this in the newspaper last week, and I want to say I was heartened when I saw the column and what you were going to say. You went beyond—and I thank you for going beyond—just what is good for nurses to look at what is good for the society as a whole.

The \$100-per-month healthy food supplement is an idea whose time, I think, has come. The average person on social assistance, I'm given to understand, gets about \$12 a week for food. I'm going to challenge some of my

colleagues to try to live on that for a day, never mind a week, and see if they can do it, because I don't think they can. What is the \$100—is that intended entirely for food or is this just to go to part of a person's global budget to make ends meet?

Ms. Doris Grinspun: It's for food—that's why we're calling it that way—and it's a down payment until we improve the overall situation.

For nurses, you need to understand: That is nursing. Keeping people healthy means addressing issues of poverty, issues of environment. So that's part of what we believe is critical, an upstream approach rather than only taking care of people when they fall apart after that.

Mr. Michael Prue: We've had a number of groups, primarily business groups, that have come forward and asked us not to increase the minimum wage—or some to increase it, but only at 25 cents a year for three years and then look at it then. Do you think the \$10.25 that's due this year should be frozen or phased in? You obviously didn't say that. What do you think of their suggestion, the business groups?

Ms. Doris Grinspun: Well, I believe it's short-sighted. I believe we will end up paying in other ways if we don't provide the minimum for people to be able to sustain themselves. At the time in 2007, we actually requested \$10.25 immediately. We're suggesting now \$10.25 in 2010 and \$11 in 2011. As you will see in the upcoming platform, the figures are \$13.25 later on.

Mr. Michael Prue: You talk about the social assistance system, and I think you're right: It is punitive. People have to go down to having only about \$500 in the bank before they're eligible for welfare, and people who are on ODSP who are disabled get half of all the money they make clawed back. Do we have to start changing the system?

Ms. Doris Grinspun: Absolutely, no doubt. It needs to be person-friendly, family-friendly and easy to access, much easier than now.

Mr. Michael Prue: Some on the right would argue we can't afford that.

Ms. Doris Grinspun: We can't afford not to do it, Michael; for any of us, we just can't afford it. This is a province that prides itself on not leaving people behind. In the midst of a recession that we are finally, hopefully, in a year going to be coming out of, certainly it's not the time to be leaving people behind.

Mr. Michael Prue: One of your recommendations here is to implement the recommendations on child care and early education in Charles Pascal's report. The government, to their credit, has said, "Yes, we're going to have all-day kindergarten," but they haven't done the rest. So what has happened is yesterday, in Windsor, the Windsor council announced that they were going to shut down seven of the daycare centres. Toronto has prepared a report showing the loss of 2,065 daycare spots unless the government institutes the other half of Charles Pascal's report as well. Is it enough to just have all-day kindergarten, or do we have to do it all?

1500

Ms. Doris Grinspun: I think we need to do it all. I think we need to do it in a planned approach. I believe that it needs to be in all kindergartens across the board. I understand that some of the recommendations will begin in schools, if I am not mistaken. So I do believe we need to implement the entire report. It's a very wise report.

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

Mr. Michael Prue: In terms of that wise report, I'm worried that the government is only going to go halfway. If they only go halfway and have all-day kindergarten but are shutting daycare centres, is that going to be good enough?

Ms. Doris Grinspun: No, it needs to be both.

Mr. Michael Prue: It needs to be both. And they've got to find the money, in your submission—

Ms. Doris Grinspun: There is money; the question is how we spend the money. If there are other means that we need to bring money so that government can do social programs and environmental programs then we need to look at that, too. We recommend some of that in our submission.

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

GREATER TORONTO AIRPORTS AUTHORITY

The Vice-Chair (Mrs. Laura Albanese): I now call on the Greater Toronto Airports Authority to come forward. Good afternoon. You will have 10 minutes for your presentation. That will be followed by five minutes of questioning by the government side.

Mr. Aleem Kanji: Thank you, Madam Vice-Chair. My name is Aleem Kanji and I'm the manager of government and public affairs with the Greater Toronto Airports Authority. On behalf of the GTAA, I'd like to thank Minister Duncan for the opportunity to appear here today and to offer you thoughts on ways in which we can work with the province to help build strong economic foundations for the province of Ontario.

As you may know, the GTAA manages and operates Toronto Pearson International Airport. As a key component of the province's transportation and economic infrastructure, Toronto Pearson connects Ontario's business, tourists and travellers at no cost to taxpayers. We also bring extensive economic benefit to the province, including 185,000 jobs, with a collective annual income of \$6.8 billion. As a result of airport activities, governments have collected in the amount of \$4.5 billion in total, and approximately 40% of that goes back to provincial coffers. The redeveloped Toronto Pearson provides Ontario's visitors and residents with one of the most up-to-date and efficient airports in the world and the province with the front door to the world that it deserves. This afternoon I'd like to provide you with an update on our activities and outline ways in which we can strengthen our relationship moving forward.

Looking back at 2009, just over 30 million passengers were processed at Toronto Pearson, a 6.1% decline compared to 2008. Our decline in passenger traffic is a result of the ongoing economic downturn, which has reduced demand for air travel across the world. In response to the economic downturn, we put forward a four-point plan that has since proven to be a prudent plan during the continued economic uncertainty.

Our plan put a priority on four components:

(1) finding further cost containment measures in our operating costs;

(2) deferring our capital program and spending;

(3) increasing our airport improvement fee; and

(4) introducing a comprehensive incentive program to attract new airline traffic, the last of which I'd like to talk to you about.

Through our incentive program, airlines stand to save significantly off of our landing fees, to the tune of 50% and 25% in the first and second years, respectively. This incentive program is meant to act as an economic catalyst so that airlines look towards adding new routes to and from Toronto, which of course has a direct, positive impact on stimulating the economy and creating jobs right here in Ontario. A further incentive we introduced was to reduce our cargo landing fees by 25% to build on the cargo side of our business, which handles just over one half of all international air cargo across Canada. This incentive resulted in new cargo-only routes being introduced and existing routes being increased in frequency at Toronto Pearson throughout 2009.

Effective January 2010, we introduced an additional landing fee program, reducing fees 60% in year one and 40% in year two to carriers providing service to targeted destinations. The idea of this program is to reward carriers for adding service on Toronto Pearson's list of unserved and underserved target markets. Connecting Ontario globally will generate more jobs locally, increase tourism to the province and provide more opportunities for Ontario businesses and travellers to access more markets and destinations across the world.

The GTAA continues to be very conscious of the fragility of the aviation industry and continues to do its part to keep costs in check so that Toronto Pearson can remain competitive for the benefit of all Ontarians.

Beyond what we are already doing, I'd like to identify a few opportunities where the government of Ontario can support our efforts to boost the air transportation industry.

The GTAA was pleased to support the Discovering Ontario report released by the government of Ontario in 2009. In particular we welcomed the recommendations that the province should advocate for improved access to priority international markets, reduce barriers for entry into Ontario's key gateway points and, overall, make it easier for tourists to choose Ontario.

The GTAA appreciates the report's findings, which call for provincial support to encourage the federal government to focus on liberalized air service agreements with other countries. These efforts are vital to increasing

passenger choice as well as opening up new priority tourism and trade markets, along with stimulating air traffic to Toronto Pearson.

With the integrated relationship between tourism and the air services industry, it's critical that these two sectors continue to work together, with strong leadership from the province of Ontario in this regard.

As important as it is to ensure that Ontario is well connected to the tourism industry, it is critical that Toronto Pearson is connected to the region by transit, thereby allowing tourists, business travellers, employees and residents to access this important global gateway.

The province of Ontario and Metrolinx have demonstrated a very strong commitment to integrating Toronto Pearson more fully into the regional transportation network. The province should be applauded for the recently approved environmental assessment for the Union-Pearson rail link. Improving transit between Toronto Pearson and downtown Toronto is essential to the success of the wider regional transportation network. It's critical that this project, with the support of the province, move forward quickly into the construction phase.

Moving on: As it currently stands, it's significantly more expensive to operate international air services in Ontario as compared to provinces such as Quebec, BC and Alberta and competing US jurisdictions. This is due to Ontario's aviation fuel tax on international flights.

While Ontario collects approximately \$38 million annually from the aviation fuel tax, the province is giving up additional tax revenue, jobs and economic opportunity. For example, introducing just one daily passenger service between Ontario and India would result in an economic boost to Ontario of \$86 million and 422 jobs.

The opportunity to eliminate the aviation fuel tax on international flights would assist in attracting new international routes and services to Ontario as well as enhance business ties and help stimulate two-way trade between Ontario and other countries over the long term.

The province can also assist in supporting an arrivals duty-free program. This would keep sales in the province that currently benefit foreign jurisdictions. An ADF program would provide tremendous economic benefit, including new jobs, wages and increased revenues for Ontario. Based on the number of international arriving passengers at Toronto Pearson and at Ottawa, Ontario's share of ADF sales in five years would be \$38 million, including \$430,000 in new income tax, \$378,000 in new corporate tax, \$4.6 million in new alcohol markup that would be paid for by the duty-free operators, and 216 new jobs. An ADF program would come at absolutely no cost to the government and would also promote tourism and Ontario-made tourist products to visiting tourists.

Now more than ever, the GTAA must continue to work with the province of Ontario to fully leverage Toronto Pearson in order to generate new economic opportunities and to boost tourism to the province. We are ready, willing and eager to work with the government of Ontario to capitalize on the investments that have been made, to ensure that our province has a modern, world-

class airport and to form partnerships to promote and encourage visitors and businesses to come to Ontario.

1510

The GTAA looks forward to working with the province of Ontario to continue to build strong economic foundations and opportunities across Ontario.

Thank you very much. I'd be happy to answer any questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you for that presentation. This rotation will go to Mr. Flynn.

Mr. Kevin Daniel Flynn: Thank you, Aleem, for your presentation. I don't think it would be any secret to say that over the years the GTAA had developed or was developing a reputation amongst the carriers as being an expensive airport, and they were quite overt in their protests. I think when you landed, there was signage or they would hand things out to you saying, "Do you realize you've just landed at the most expensive airport in the world?" or something to that effect. Has that calmed down amongst the carriers now? Do they agree that they're actually operating in a reasonably well-run airport that's run in a financially responsible manner?

Mr. Aleem Kanji: To answer your question, absolutely. I think that with the programs that I talked about earlier around incentives for the air carriers, there's a direct relationship and cost savings that we're providing to the air carriers.

One thing I'd like to mention as well, just to your question, Toronto Pearson is actually one of only three airports globally, in the entire world, where we're reducing our landing fees to the tune of double digits in 2009. We're very proud of that. The other two airports, incidentally, are in Malaysia. So I think that speaks to the fact of how we're trying to get our business in order and attract new air carriers to Ontario, as well as, through the incentives, build on the relationships we have with the existing carriers for now and for the future.

Mr. Kevin Daniel Flynn: A few other questions: I know you're doing a stakeholder consultation out there with business leaders and presumably with people who use the airport on a regular basis. Is there any insight you can give us at this point—I know it's a work in progress—on any early indications as to what people are saying about that? And on page 2, there's something I'd like you to expand on a little bit, because it seems to be counterintuitive. You've got "continued economic uncertainty" in one paragraph and then "an increase in the airport improvement fee" two or three lines below that. I'm wondering how those two things go together.

Mr. Aleem Kanji: Sure; absolutely. To your first question, we're still undergoing consultation with provincial, federal and municipal leaders, as well as businesses, with regard to how we conduct our business at Toronto Pearson. I'd certainly be happy to follow up with you with regard to the results of that stakeholder consultation once we're through with it, and I would expect that to be towards the end of January and into February. I'd be happy to follow up with your office on that.

Mr. Kevin Daniel Flynn: Okay. Super.

Mr. Aleem Kanji: With regard to your second question, the airport improvement fee and raising of that fee is certainly not something we looked to be doing as a first option, but it allows us to manage our business responsibly in the context of what we've also done around some of the incentives and in ensuring that the costs are in check. We do realize that we raised the airport improvement fee over the course of this last year. It's not something we took as a first option, but as I said, we look at it in the context of what we've done for the entire industry and for travellers at Toronto Pearson. Again, I come back to the incentives and the incentive programs.

Mr. Kevin Daniel Flynn: I think what you were trying to say with the ADF program was that people are buying duty-free stuff in the place of origin and they're not buying it in Toronto. Either way, I'm assuming there'd be an impact on the retail trade in Ontario that's not duty-free. I'm thinking specifically about the LCBO in Ontario. Have you factored that into account when you're asking for this program?

Mr. Aleem Kanji: Absolutely. The way we see it is that purchasing goods on arrival, in fact, gives the customer more choice. We've done survey work in this regard, and we've spoken with finance officials about this—again, something I'd be happy to talk to you in more depth about. But we'd like to think that the decision to purchase has already been made upon departure as opposed to when travellers land and, perhaps, then go to the LCBO. So the issue of leakage around an arrivals duty-free program we see as not being that major of an issue. We've quantified it. It's something I'd be happy to follow up with you on, as well.

Mr. Kevin Daniel Flynn: Okay. Is there any time left? Very little?

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

Mr. Kevin Daniel Flynn: Okay.

AVF: you've asked for the fuel tax to be lifted, and you're saying that it makes us uncompetitive. With the other jurisdictions you've compared us to, is everything else the same except for the fuel tax, or are there other differences between the jurisdictions?

Mr. Aleem Kanji: It's certainly a huge factor, when comparing us to our sister provinces and the United States. We've learned one thing air carriers are actually doing. They're coming to Ontario with heavy fuel loads, which is not good for the environment. They're doing it on purpose so that they don't have to fill up at Pearson when they fly back into other jurisdictions—the United States, notably. It's something we've quantified and, again, I'd be happy to follow up with you on that in more detail.

Mr. Kevin Daniel Flynn: I think all members would be interested in this.

Mr. Aleem Kanji: Absolutely.

Mr. Kevin Daniel Flynn: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you for that. If you have any follow-up information that you could provide, it will be distributed it to all the members.

Mr. Aleem Kanji: Absolutely.

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

ONTARIO CAMPAIGN 2000

The Vice-Chair (Mrs. Laura Albanese): I now call on Ontario Campaign 2000 to come forward. Good afternoon. You will have 10 minutes for your presentation. If you could please identify yourselves before you begin, it would be appreciated.

Mr. Greg deGroot-Maggetti: Thank you, Madam Chair. Good afternoon, committee members. My name is Greg deGroot-Maggetti. I'm a member of the steering group of Ontario Campaign 2000. I'll be presenting today with Theresa Schrader.

First, let me say that Ontario Campaign 2000 is a provincial coalition of more than 60 organizations working to eliminate child and family poverty in Ontario.

Campaign 2000 commends the Ontario government for setting out a poverty reduction strategy with a target to cut child poverty by 25% by 2013, and we applaud all parties for their support for the Poverty Reduction Act, passed last May.

We appreciate a number of the steps taken over the past year that respond to many of Ontario Campaign 2000 recommendations: things like increases to the Ontario child benefit; investment of \$622 million in affordable housing over two years; commitment to phase in full-day learning for four- and five-year-olds; \$4.5 million to hire employment standards officers; new legislative protections for temp agency workers; and public consultations to develop a long-term affordable housing strategy.

We know that, given this current recession, though, Ontario's child poverty rate will be higher in 2010 than it was in 2007, when we have the latest data on child poverty rates—precisely because of this recession. Now, more than ever, Ontario families need government supports to climb out of poverty. Without strong and swift action in the next budget, poverty in Ontario will grow deeper and slow down the economic recovery.

We're calling on the Minister of Finance and his colleagues to move faster and further on poverty reduction by taking the following steps in the spring budget:

Begin the process to transform social assistance so that it supports people to move out of poverty. That can be done by introducing a \$100 monthly healthy food supplement for all adults on social assistance, and then fully index social assistance rates to inflation. Having to rely on social assistance is, in fact, a sentence to poverty. Despite recent improvements in child benefits, a single parent with one young child still lives about \$5,660 a year below the poverty line.

The government needs to fix social assistance rules that are counterproductive. For example, raise asset limits to \$5,000 for singles and to \$10,000 for families, because having to liquidate assets before being eligible for social assistance is one of those things that traps people in poverty.

The government needs to invest in child care. We're calling on the government to designate at least \$64 million to save over 7,600 subsidized child care spaces for low-income families which are threatened to close, and to keep investing to build Ontario's child care system.

In a moment, Theresa will speak a bit more about the critical urgency of that investment.

We also call on the government to make a down payment on Ontario's promised affordable housing strategy by introducing a housing benefit, a new monthly allowance for all low-income Ontarians who spend more than 30% of their income on rent. According to the last census, one in every five tenant households in Ontario spends more than 50% of their income on rent. Similar to Quebec, Ontario should introduce a housing benefit which would make existing housing more affordable for tenants.

1520

Also the government should continue to increase the minimum wage to \$11 an hour in 2011, with indexation for cost-of-living increases, and continue to invest in the Ontario child benefit, raising it to a maximum of \$125 a month per child.

Now I'll turn it over to Theresa.

Ms. Theresa Schrader: Hello, there. My name is Theresa Schrader, and I'm a single parent of a three-year-old son named Markus.

Like many parents, I am having a tough time during this economic recession. I am currently a student at George Brown College, studying in the social service worker program. My current source of income is the Ontario student assistance program.

I have been living in poverty for over 20 years now. I was on social assistance for a few years until I decided to make this big step towards a career. I realized that I needed to further my education to get a decent job and earn a decent income to support my child. So I am studying hard and I'm doing very well. In fact, I just found out I made the Dean's list.

What makes this possible is having subsidized child care for my son and living in subsidized housing. Without this perfect combination, I would not be able to make this journey.

If the Ontario government cuts back on child care funding and I lose my subsidized child care spot, I will have to drop out of school, and I will probably have to go back on assistance. There is no way that I could afford the full fee of \$1,000 to \$1,100 a month at my daycare. This could have effects far beyond what the eye can see. It would perpetuate the cycle of poverty that I'm so desperately trying to break.

I know many other parents who, like me, rely on subsidized child care and who find themselves in the same position. I'm here today speaking to you on behalf of 7,600 parents across the province to say please invest in child care. Don't cut child care subsidies. It would be disastrous to our plans for our families.

We cannot study without child care. We cannot work without child care. If we've lost our jobs in this re-

cession, we can't even look for work without child care. And the cycle continues. Good, quality, secure, public child care is so important for low-income families. We would not be able to move towards the future without it.

I thank you very much for your time today.

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

Mr. Ted Arnott: I want to express my appreciation to both of you, Mr. deGroot-Maggetti and Ms. Schrader, for coming in today and offering your thoughts and advice on what the provincial government should be doing in the upcoming provincial budget. I know that your organization has come forward, I think, every year for many years to talk about the kinds of issues that you're concerned about, and this committee appreciates it very much, I can tell you.

Ms. Schrader, I want to especially thank you for coming forward. I think you've made an excellent presentation about the situation that you're confronting, should the government cut back on child care funding. I certainly want to commend you for the efforts that you've taken to go back to school. It's not easy, I'm sure, but you've done a great job, and you deserve a lot of credit for your academic success.

Ms. Theresa Schrader: Thank you.

Mr. Ted Arnott: You mentioned that if the Ontario government cuts back on child care funding and you lose your subsidized child care spot, it may be the end of the path that you've endeavoured to take. Do you think the government is going to cut back on that? Do you have a sense that that's going to happen? You obviously fear that it might.

Ms. Theresa Schrader: I'm being told that there are several spots that are at risk of losing funding because of a four-year commitment to child care subsidies that happened four years ago. Now there needs to be a recommitment to child care. That's my understanding.

Mr. Ted Arnott: Well, I hope the government members who are present here across from us will take that message back.

The other question I had was related to job training. Certainly many of the steps that you've advocated in your presentation talk about helping the people who are confronting poverty in an immediate sense. Of course, the long-term goal, I would think, is to improve their job prospects so that when the economy improves and jobs are continuing to be created—let's hope—job training would be a high priority too. Do you have any suggestions or advice with respect to what the government could do to improve the job training programs that it currently administers?

Mr. Greg deGroot-Maggetti: It relates somewhat to the first recommendation that we had about transforming the social assistance system so that it supports people to move out of poverty. The first step is to make sure that when somebody's relying on social assistance, whether that be Ontario Works or the Ontario disability support program, they actually have the income to survive. If

you're living so far below the poverty line, then living in poverty is a full-time job. So that's step one that has to happen.

But in terms of making sure that people who are on Ontario Works and on the Ontario disability support program can actually access training programs that are available, for example, for people who are on employment insurance, there would need to be important rule and program changes put in place so that the social assistance system is actually integrated with the poverty reduction strategy, to make sure that people can move into sustaining employment.

Mr. Ted Arnott: I think it's true that every single MPP in the Ontario Legislature today would want to see that every child born in Ontario has the opportunity to grow up in a loving, nurturing family environment with sufficient, good quality nutrition, decently housed and clothed, with the community support services in place if need be, to ensure that each child has the chance to succeed and to reach their full potential. So again, I think your organization advocates for that. I think you do a good job of expressing your views. We do appreciate your comments. Thank you very much for presenting here today.

Mr. Greg deGroot-Maggetti: Thank you.

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

ONTARIO LONG TERM CARE ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): I would now like to call on the Ontario Long Term Care Association. Please come forward. You will have 10 minutes for your presentation. That will be followed by five minutes of questioning. This rotation will go to Mr. Prue. You may begin any time.

Ms. Christina Bisanz: Thank you very much, Madam Chair. Good afternoon. I'm appreciative of the opportunity to be back before this committee and present on behalf of the Ontario Long Term Care Association. Some of you know that I'm Christina Bisanz, and I'm CEO of the Ontario Long Term Care Association. Today, with me is Grace Sweatman, who is the president of our organization. Grace is also the CEO of Christie Gardens Apartments and Care Inc., which is an 88-bed, not-for-profit home that's part of a care continuum here in Toronto.

OLTCA represents over two thirds of Ontario's long-term-care homes. We cover the full spectrum of not-for-profit, municipal, charitable, and private-sector operators. Our members provide high levels of therapeutic care and accommodation to some 50,000 of Ontario's most vulnerable seniors.

Today we're seeking your support to ensure that homes will be able to continue to provide the high level of care and service that they do and to help maintain access to health care for all Ontarians. To accomplish this, we believe that the 2010 provincial budget must,

first of all, retain the additional \$43.5 million that the Ministry of Health and Long-Term Care provided last year to stabilize housekeeping, laundry, maintenance and other service levels, and continue existing service funding levels related to municipal property tax and other costs. We're also looking to have continuation of the annual adjustments to direct care and program funding so that homes can retain staff, and finally, to fully fund the cost of any new government initiatives in the sector, including the HST and the new Long-Term Care Homes Act and regulations.

We really believe that our request strikes an appropriate balance between government's fiscal and health care responsibilities.

The past decade has seen increased pressure on homes to admit residents with more complex medical conditions, with increased behavioural issues and higher infection control risk. The home's ability to respond to these pressures directly impacts available hospital beds and emergency room wait times for all Ontarians. Our members tell us that these pressures are intensifying, not subsiding.

Our sector has demonstrated its willingness to step up. We've worked with government to increase care capacity and staffing. The recent telemedicine partnership between Southlake Regional Health Centre and four of our member specialty care homes is but one example of the innovation being applied in the field.

However, homes can only step up to the extent that government provides the necessary resources. Even with the progress we've made, there's agreement in government and outside that homes are still under-resourced.

In short, we're challenged to cope today, and we're at a critical risk of slipping backwards to the detriment of both the residents' care and those who need access to hospital services.

1530

This budget can prevent this outcome by addressing three key sector funding pressures. The first is ensuring that homes are able to maintain housekeeping, laundry, maintenance, education and other service levels that directly support a quality care and living environment. These services allow homes to provide the procedures to admit and safely care for residents with C. difficile and other infectious conditions, prevent and manage infectious outbreaks which also close the home to admission, and provide the training to support care innovation and quality improvement. It's worth noting that the Auditor General stressed the importance of infection control practices in his recent report.

In recent years, the capacity of homes to provide these services has eroded significantly, as cost increases out-strip funding increases by 1.5% to 1.7% annually, for a cumulative funding deficit of \$89 million heading into 2009. The ministry responded to this by providing an additional \$43.5 million from its 2009 budget to stabilize existing service. To our surprise, however, this was tagged as one-time funding and the sector has no assurance that it will continue, even though we under-

stand that it has been included in the ministry's budget submission to finance. If it's not retained, the service reductions will materialize in 2010 with the added impact of another year of eroded capacity. Similar impacts will accompany any deficit solutions that impact other service funding, such as the 85% reimbursement of property tax costs for those homes that pay property tax. This funding initiative helps ensure that all homes have an essentially equitable service delivery capacity even though the system imposes higher operating costs on some homes.

The second budget solution is ensuring that homes can retain their nursing and other direct care staff. The province annually adjusts direct care funding to homes by some 2.5% to 3.5% to support care delivery and stabilize staffing levels. Without this adjustment, homes have no capacity to offset the annual collective agreement wage costs increases or manage the normal acuity-driven fluctuations to their care funding base. Their only option then is to reduce staffing, and that's an option that homes will be forced to employ if this annual adjustment is not included in the 2010 budget.

The third budget solution is fully funding the costs of any new requirements government will impose on the sector. This includes the impact of the HST, which I fully addressed in hearings before this committee in December. At that time I stated that in the absence of a preferred federal solution, the province must act to mitigate the \$12.2-million increase that the HST will add to the operating costs of Ontario's publicly funded, privately operated homes. Let me be clear: This total cost is after the impact of supply chain savings and the benefits of income tax changes have already been accounted for.

We ask the province to commit the funding to avoid government-driven service reductions to 40,000—or over half—of Ontario's long-term-care residents based solely on home operator type. As I noted, the provincial precedent of offsetting system-driven operating cost inequities between homes is already well established. We believe the best solution is a change to the MUSH definition in the federal Excise Tax Act. This would ensure that all homes, not just some, are eligible for the province's MUSH sector protections.

This third budget solution also incorporates funding the costs to implement the new Long-Term Care Homes Act and regulations. If the regulations proceed as currently drafted, we have identified some \$34 million in direct new operating costs related to food service worker provisions, nursing and administration. In addition, we also know that a transformation of the scope envisioned by the new legislation cannot be accomplished without additional indirect operating costs. If the HST, new act or any other new initiative costs are not fully funded in our sector, homes have no option but to absorb these costs by reducing services in other areas.

I know that as MPPs, you are all familiar with the long-term-care homes in your communities, the good work they do, the people they employ and the challenges they face. We appreciate that several of you here today have already taken the time to meet with some of our

members in your ridings. You also know that their care and service levels are totally dependent on the support for long-term care in the 2010 budget. Residents don't have a choice. So today, we seek your support to ensure that long-term-care residents in your communities do not see their care and service levels decline in the wake of this budget and that homes are not forced to place more demands on already overburdened hospitals and emergency rooms, because that will happen.

We believe this can be reasonably accomplished, while recognizing the province's fiscal situation, by retaining existing funding levels and annual funding adjustments for care and services, including the additional \$43.5 million the ministry provided last year, and ensuring that the HST and any other new cost burdens that the system imposes on long-term-care homes are fully funded.

We'd be pleased to answer any questions if there's time available. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your deputation. Mr. Prue?

Mr. Michael Prue: We had a group earlier today—I'm just trying to locate them here with their actual name; of course, I can't. They were talking about the amount of money that long-term-care homes need, and they were asking for a great deal more than you. They were asking for additional PSW positions. They were asking for additional nursing positions that had been offered. They were asking for enough bodies to institute and give 3.5 hours of care. You're not asking for any of this and I'm wondering why.

Ms. Christina Bisanz: I think we can all agree that there's much more that needs to be done in the sector and for the sector to support where we need to be going, but we also recognize and are fully aware of the fiscal challenges that we face in this province right now. So our request, really, is to make sure that we don't slip backwards. We cannot afford to slip backwards. But, at a very minimum, the areas that we've requested are essential for keeping the sector whole and enabling us to provide the level of care and service that we need to, to make sure that residents are cared for in this province.

Mr. Michael Prue: But I would think that most people in the sector and most politicians understand that the care and service being provided is not up to the standard we wish it was.

Ms. Christina Bisanz: I would argue that the quality of care and service delivery in this province is very respectful of the needs of the residents. We definitely feel that there's an opportunity to continually improve. Our members are working with the Ontario Health Quality Council to look at new quality-improvement initiatives and are fully supportive of that. But I think we have to recognize that there are fiscal challenges. While we would all like to see more, and definitely more resources, at a minimum we need to ensure that the services we're being asked to provide and the quality improvements that we need to provide are funded in the areas that we've identified.

Mr. Michael Prue: The \$43.5 million that was given last year was one-time funding. Did the government give any explanation at that time about why it was one-time funding only?

Ms. Christina Bisanz: We were advised that it was because of the fiscal challenges and that there were no commitments to longer-term funding, but we feel, at a minimum, it's essential to maintain that \$43.5 million for this year and to provide homes with the certainty that they can use in their budgeting and allocations for the coming year.

Mr. Michael Prue: One of the ways that, unfortunately, homes are able to save money is to cut back on either the level of food, which we've seen in some homes, or in the level of service by laying off staff, or by asking volunteers to come in and do more of the work. What is going to happen if you don't get the money? Are all of these three things likely to happen again?

Ms. Grace Sweatman: I'll respond to that, if I may. I think one of the issues you would need to recognize is that we're 90% unionized in this sector, so the volunteers to do the work would not be a feasibility.

There's no question that if we aren't kept whole, there will have to be cuts in order to maintain our own whole, but we've been really careful about being reasonable in our ask, because we're very, very aware of the situation we're all in in Ontario. So to come forward with our highly desirable four hours a day or three and a half hours a day—well, that's what we'd all wish. We're also trying to be realistic in the framework we're in so that our specific requests are understood to be thoughtfully presented and realistic.

Ms. Christina Bisanz: And if I could just add for clarification as well, it's important to recognize that raw food is part of the flow-through envelope, so that's not an area that's a discretionary cutback area. Food costs are determined and provided on a per diem basis for the residents.

Mr. Michael Prue: Thank you very much.

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

1540

ONTARIO COLLEGE OF FAMILY PHYSICIANS

The Vice-Chair (Mrs. Laura Albanese): We now call on the Ontario College of Family Physicians to come forward. Good afternoon. If you could please state your name before you begin. You will have 10 minutes for your presentation.

Ms. Jan Kasperski: Thank you. I'm Jan Kasperski. I'm from the Ontario College of Family Physicians. We represent close to 9,500 family physicians in this province who provide care in every community throughout the province.

We recognize that the government is facing the challenge of managing the deficit, and we're very pleased to see that job creation, health care, education, strong

fiscal management and economic growth are the main government priorities. The family physicians of this province recognize that education, poverty and health are intimately related. The government's priorities speak to all three of these priorities, where family physicians have the ability to be major players in finding the right solutions.

We work on the ground in every part of this province, and we're often referred to as the canaries in the mine shaft: We know what works and we know what doesn't.

We know the impact that reducing poverty will have on the health of our most vulnerable citizens, and we recognize that early childhood education is truly the great equalizer that will reduce health disparities and prepare each child to be a productive member of society, and we really wish to support you in your efforts in these two areas of priority.

Today, as the major providers of health care in the province, we'd like to offer you our wisdom in regard to the health care system.

Family physicians supported Canadians in the 1960s when they agreed to invest in a health care system that was based on compassion, caring and equity, so that those most in need would receive the most care. We smiled broadly during the 1970s and 1980s as Canadians used their tax dollars to improve the quality of care and the variety of services that are delivered in our system.

However, a dark cloud hung over them in the 1990s, when governments across Canada tried to convince the public that they could address the fallout from that recession by lowering taxes and doing more for less. Public policy created chaos in the health care system. The public was distressed in particular to find that they had difficulties in accessing a family doctor. We created a new social class in this province called the orphaned patient population. In rural communities, the shortage of family doctors became more acute. However, people in every community in Ontario, large and small, joined the ranks of the orphaned patients.

When the public recognized that government had created a perfect storm in the health care system, they clamoured for more doctors and nurses. The outcry was loud and clear: "Fix the system." Government ended up pouring huge sums of money back into the system, and we've been playing catch-up ever since.

Stop-and-go funding is costly in the long term. In 1998, the Canadian health care budget was reduced to \$59 billion. It's now at \$129 billion. We're advising that we don't repeat this costly mistake.

The McGuinty government came to power with a transformational health care agenda. It was anchored in ensuring that every citizen had easy access to their own family doctor, and that family doctor was to be supported by an inter-professional family health care team and enabled by electronic health records. The election platform recognized the need to move away from an institutional model of care to one that focused on health protection, health promotion and the early identification

of health problems, when they're most amenable to treatment.

While the care delivered in the acute care sector is valued by all of us, the model tends to treat diseases and not people. The system frequently functions as if people were a collection of body parts to be treated by individual specialists and their hospital-based specialty clinics. The McGuinty government recognized the need to prepare for the tsunami of aging by moving toward a model of care that was delivered in the community and keeps people as well as possible, as long as possible.

National and international research demonstrates that anchoring the system in family medicine and primary health care results in the best health outcomes for the least expenditures of the GDP. In other words, if you want to reduce costs in the system, you need to refocus attention on the transformational agenda.

Our key messages at this time to government: First and foremost, we want you to know that family physicians support the government's budget priorities. Poverty, job creation and economic growth, education—the great equalizer, especially early childhood education—and health care are areas where family physicians wish to be part of the solutions since they impact on the health and well-being of the people that we serve throughout this province.

We believe that budget 2010 is a fork in the road: The government can demonstrate strong fiscal management by choosing to invest in high-quality health care rather than repeating the mistakes made in the 1990s. The 1990s demonstrated that stop-and-go funding is costly in the long term. Steady, predictable funding with strategic investments would have produced the results the public expects of the health care system without the ensuing chaos, and we believe that this is not the time for another round of stop-and-go funding.

We need to be planning for the tsunami in aging, and it must begin now in order to have the resources in place for the next decade. Setting up a multisectoral planning body at the provincial level to plan and coordinate strategic improvements in the system, which can then be implemented at the LHIN level, is one of the areas that we would really like to focus on.

We really need to refocus attention on that transformational agenda—again, just emphasizing the cost-effectiveness of the system we set out to build over the past few years. We need continuous investments in order to ensure that every person in Ontario ends up with the majority of their care provided in a family practice by a family doctor and an interprofessional team, and we want them enabled by EMRs and electronic health records; eHealth must rise again.

Invest in research, education and continuing professional development, the primary care infrastructure and an integration strategy in order to support a strong family medicine and primary care sector.

We really want you to invest in child health and in community mental health and addiction services to reduce the need to provide care in costly hospital settings or in long-term-care facilities.

Establish an expert panel to identify the tests, the practices and the procedures that have little or no impact on patient outcomes or patient satisfaction, and then invest in subsequent steps to discourage or limit such practices.

Ensure a province-wide, and indeed a country-wide, understanding that health care is truly an economic investment rather than a cost centre. It's one that results in a productive workforce, it confers a competitive edge on our business community, and it's one that has the opportunity to export the knowledge that Ontario has been deriving as a result of the transformational agenda. We know how to do primary care and family medicine very well. We should be exporting our knowledge elsewhere.

Again, invest in family medicine—this is truly the fork in the road. We can slash and burn, as we did during the last recession, or we can strategically invest in those initiatives that we know will make the system stronger and more sustainable in the first place.

We trust that you will make the right decisions and we will stand by you 100% as we work together to restore Ontario to a very strong financial footing. We've already begun that work. As you can see, we always do our homework, we always do our papers. They're here, with a plan for you.

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

Mr. Wayne Arthurs: Jan, thank you very much for the presentation this afternoon. We've heard during our seven days now from a broad sector in the health care field, quite a substantial range—everything from the hospitals, to ways to keep folks out of the hospital, to the need to get people out of hospitals quicker and into home care and break that burden. We've heard from nurses and we've heard from long-term-care professionals, so there's quite a range.

1550

In the little bit of time we have, I really would like if you would take just a couple of minutes and speak a little more to planning for the tsunami in aging, planning for the baby boomers. It's not the critical back-breaker for the 2010 budget, but I think it's one of those matters that we've touched on and we need to begin paying more specific attention to. I would welcome your comments in that regard so that as we begin thinking forward on this very critical issue, we get some early insights.

Ms. Jan Kasperski: We have, over the course of time—and it's why I started with the 1960s—developed a health care system that tends to treat people after they get sick rather than really working with them to stay as well as possible. I was at a conference not so very long ago when one of the gentlemen who is on Oprah and Dr. Oz quite frequently was talking about blue zones in the rest of the world. He's identified seven areas where people tend to live to 100 or 110. There are commonalities in these areas called the blue zones: really good nutrition, exercise and having a community that em-

braces you. It's a group of communities in which the word "retirement" does not occur; people simply keep on contributing to their communities in a way that they always have.

I think we have a lot to learn in terms of the ways in which our senior population can stay as healthy as possible. We concentrate on chronic disease management and prevention when we really should be concentrating on keeping people who may have disorders as well as possible for as long as possible. A lot of that work takes place within the family practice environment, but we can't do it alone. I think the government has been investing tremendously in family health teams and other models to really support family doctors and to keep as many people as well as possible.

When we looked at the emergency wait time/ALC strategy, we really saw tremendous opportunities in being able to keep people out of hospital in the first place. Some of it is just good, solid medication management so that we're not utilizing medications that are interacting and making people sicker than they were before. It's making sure that our communities are walkabout, so we've been doing a lot of work on climate change, urban sprawl and pesticides, and a lot of work on healthy child development and the like—and a lot of it does start in those early years. So I think our message has always been one of how important the zero-to-six arena is: Early childhood education, good parenting and good nutrition during those years are really vital. Having regular checkups and stopping smoking, all of those good things, are the kinds of messaging that family doctors deliver, but when we deliver it with the support of an inter-professional team we can actually do the job.

Mr. Wayne Arthurs: And with our aging population, the about-to-be seniors or those who are there, I think

part of your comments were on wellness and health promotion, not to lose your focus on wellness just because you're aging, as well as community activity and exercise—but more of a focus on that as people move into the early senior years, if one can call it that, when we begin to forget about that and think we now have to deal with illness as opposed to wellness?

Ms. Jan Kasperski: Absolutely. Some of the strategies that are part of the wait time strategy—hip and knee surgery and cataracts—are oftentimes disabling types of conditions. Once people's hips are fixed and they can see better, they're out and about and doing things much more appropriately. So even when you look at the kind of acute care focus that we've had over the last while, some of it is actually leading to health. We're certainly working right now on the diabetes strategy, and it's a disease of every organ. It's certainly there because of the habits that we've adopted over time. We're car-driven communities and we really need to get out and walk.

The whole of the primary care reform initiatives have really been to transform the system from one of acute, episodic care to much more focus on health prevention and promotion.

I think we need to really take good care of our seniors and to make sure that they feel that they are able to contribute, so releasing the mandatory 65-and-out rule is a very positive step forward. I'm an example of someone who would have been out not very long ago.

Mr. Wayne Arthurs: No, it can't be true.

Chair, thank you so much.

The Vice-Chair (Mrs. Laura Albanese): Thank you for appearing before the committee this afternoon, and thank you all. We are adjourned until 9 a.m. tomorrow morning.

The committee adjourned at 1555.

Continued from back cover

Association of Municipalities of Ontario	F-1432
Mr. Doug Reycraft	
Registered Nurses' Association of Ontario	F-1434
Ms. Doris Grinspun	
Greater Toronto Airports Authority	F-1437
Mr. Aleem Kanji	
Ontario Campaign 2000	F-1439
Mr. Greg deGroot-Maggetti	
Ms. Theresa Schrader	
Ontario Long Term Care Association	F-1441
Ms. Christina Bisanz	
Ms. Grace Sweatman	
Ontario College of Family Physicians	F-1443
Ms. Jan Kasperski	

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Président

Mr. Pat Hoy (Chatham–Kent–Essex L)

Vice-Chair / Vice-Présidente

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Wayne Arthurs (Pickering–Scarborough East / Pickering–Scarborough-Est L)

 Mr. Toby Barrett (Haldimand–Norfolk PC)

 Mr. Kevin Daniel Flynn (Oakville L)

 Mr. Eric Hoskins (St. Paul's L)

 Mr. Pat Hoy (Chatham–Kent–Essex L)

 Mr. Michael Prue (Beaches–East York ND)

 Mr. Peter Shurman (Thornhill PC)

 Mr. Charles Sousa (Mississauga South / Mississauga-Sud L)

Substitutions / Membres remplaçants

 Mr. Michael A. Brown (Algoma–Manitoulin L)

 Mr. Joe Dickson (Ajax–Pickering L)

 Mr. Phil McNeely (Ottawa–Orléans L)

 Mr. Norm Miller (Parry Sound–Muskoka PC)

Also taking part / Autres participants et participantes

 Mr. Ted Arnott (Wellington–Halton Hills PC)

 Mr. Frank Klees (Newmarket–Aurora PC)

Clerk / Greffier

 Mr. William Short

Staff / Personnel

 Mr. Larry Johnston, research officer,
 Legislative Research Service

CONTENTS

Tuesday 2 February 2010

Pre-budget consultations	F-1391
Ontario Restaurant Hotel and Motel Association.....	F-1391
Mr. Tony Elenis	
Ms. Michelle Saunders	
Ontario Association of Non-Profit Homes and Services for Seniors	F-1393
Ms. Donna Rubin	
Ms. Maria Elias	
Kinark Child and Family Services	F-1395
Mr. Peter Moore	
Ms. Tracy Folkes Hanson	
Ontario Chamber of Commerce	F-1397
Mr. Stuart Johnston	
GS1 Canada.....	F-1400
Ms. Alicia Duval	
Co-operative Housing Federation of Canada, Ontario region.....	F-1402
Mr. Harvey Cooper	
Home Ownership Alternatives Non-Profit Corporation	F-1404
Mr. Joe Deschênes Smith	
Canadian Union of Public Employees	F-1407
Mr. Fred Hahn	
Greater Toronto Hotel Association	F-1409
Mr. Terry Mundell	
Ontario Hospital Association	F-1411
Dr. Kevin Smith	
Mr. Tom Closson	
Peel Poverty Action Group	F-1414
Ms. Edna Toth	
Mr. Greg Yeandle	
Mr. André Lyn	
Ontario Chiropractic Association.....	F-1416
Dr. David Brunarski	
Dr. Bob Haig	
Ontario Bar Association.....	F-1419
Ms. Carole Brown	
People for Education.....	F-1421
Ms. Annie Kidder	
Autism Resolution Ontario	F-1422
Ms. Sharon Aschaiek	
Ontario Federation of Labour.....	F-1425
Mr. Sid Ryan	
Region of Peel.....	F-1427
Mr. Allan Thompson	
Santa Claus Parade.....	F-1430
Mr. Peter Beresford	
Mr. Richard Ellis	

Continued on inside back cover