



ISSN 1180-4386

Legislative Assembly
of Ontario
Second Session, 39th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 39^e législature

Official Report of Debates (Hansard)

Friday 28 January 2011

Journal des débats (Hansard)

Vendredi 28 janvier 2011

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: Sylwia Przedziecki

Président : Pat Hoy
Greffièrè : Sylwia Przedziecki

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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

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Friday 28 January 2011

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Vendredi 28 janvier 2011

The committee met at 0900 in the Ottawa Marriott Hotel, Ottawa.

PRE-BUDGET CONSULTATIONS

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

CITIZENS WITH DISABILITIES—ONTARIO

The Chair (Mr. Pat Hoy): Our first presenter, Citizens with Disabilities, I'm advised, is not here yet, but we do have the Eastern Ontario—

Mr. Yasir Naqvi: No, he's here.

The Chair (Mr. Pat Hoy): He's here? Oh, there he is. We'll let him get situated.

Mr. Terrance Green: Is there a microphone here?

The Chair (Mr. Pat Hoy): Yes, the microphone's in front of you and staff are turning it on and off for all the presenters, so you don't need to be concerned about that.

Mr. Terrance Green: Okay.

The Chair (Mr. Pat Hoy): You have 10 minutes for your presentation this morning. There could be up to five minutes of questioning, and in this round, it will come from the official opposition. I just ask you to state your name before you begin for our recording Hansard.

Mr. Terrance Green: My name is Terrance Green. I'm the chairperson of Citizens with Disabilities—Ontario. I am here today to talk about Ontarians with disabilities and hopefully to convince the committee that persons with disabilities living in Ontario do need your attention.

When do you want me to start?

The Chair (Mr. Pat Hoy): You can start now.

Mr. Terrance Green: Okay, thank you.

I'm at a bit of a disadvantage here because I don't know who I'm speaking to. I just spent 25 minutes upstairs trying to find the way down here. It's one of these things about accessibility that the facilities here are not totally accessible for persons with various types of disabilities. But I am here.

I brought a handout. Citizens with Disabilities—Ontario was preparing statistics that we wanted to show you. Yesterday, the summary statistics from DAWN Canada, which is the Disabled Women's Network, came across my desk and it seemed to very pointedly bring out

the information that I wanted to share with the committee today. Albeit the statistics that I just presented to you are focusing more on women with disabilities, the summary statistics certainly show that women with disabilities are perhaps the most disadvantaged segment of the Ontario population.

DAWN Canada gathers statistics from across Canada. The last two points of those statistics are very much pointed at Ontario. They're statistics representing Ontario's situation.

Persons with disabilities living in Ontario are at a disadvantage when it comes to getting accessible transportation. Our public transportation systems in Toronto, with the TTC—it had to go through the human rights commission to get accessibility, just to have the stops called out. In Ottawa—albeit, public transportation is federally regulated—it is the same situation: It had to be litigated and a binding order imposed on OC Transpo to get the operators here calling out stops. For people requiring paratransit in smaller communities in Ontario—paratransit, where it is available, is available on a very limited basis. Persons with disabilities wanting to get out for education, for work, for medical appointments, to do shopping, to visit friends—the things that the rest of Ontarians do without even thinking about it—can't do it.

The employment situation: I'll refer you to the DAWN stats. Over 70% of persons with disabilities are unemployed. For women, it's higher than men. The average unemployment rate, with those statistics from Statistics Canada, is approximately 60%. That's a large contributing portion of Ontario that is untapped.

Education: People with disabilities have university degrees. They attend high school. In the statistics you have there, I believe it shows that 48% of women with disabilities are unable to complete high school. It is not that they don't want to attend high school; it's because the facilities are not there to accommodate their needs.

Direct funding for self-administered attendant services: There is an over eight-year waiting list for somebody requiring attendant services who wants to be able to have the ability and flexibility of caring for themselves and administering their needs—eight years to get that service in Ontario.

I think the statistics that I presented to you this morning paint a fairly clear picture of where persons with disabilities are sitting in our society today, particularly in Ontario.

I think it's time that the finance committee, in looking at the budget, looks at what kinds of things can be done, in the short term and in the long term, to try to ensure that persons with disabilities living in Ontario have a fair opportunity of participating completely in their communities. That is a statement that Ontario has right in the preamble of our Human Rights Code.

That's what I have to say. I'm open for questions.

0910

The Chair (Mr. Pat Hoy): Thank you. Just to assist you, there are five government members here listening to you, there are three members of the official opposition and one member from the NDP. The questioning will go to the official opposition. Mr. Barrett?

Mr. Toby Barrett: Yes, thank you, Chair. Thank you, Mr. Hoy. My name is Toby Barrett; I represent the riding of Haldimand–Norfolk. We in the opposition are to your right: the Conservatives and the NDP.

Looking at your fact sheet: For example, the unemployment rate among women with disabilities is 75% and among men, 60%. Actually, I'm surprised, because I've also heard figures more like 90% or 85%.

Mr. Terrance Green: Yes.

Mr. Toby Barrett: I find that quite heartening, but there's a lot more that can be done. Everybody wants to work, in my opinion.

I also see here that 10% of women with disabilities have a university degree. Obviously a lot more can be done there and in community college education as well.

Just in general, what are some of the barriers—there are many, many barriers—for people with disabilities, regardless of the disability, as far as getting involved in the workplace, either full-time or part-time, or even as a volunteer?

Mr. Terrance Green: I'm first going to address the issue you raised about the statistics. The statistics you have in front of you are from a cross-disability perspective, so they include all types of disabilities. When you look at specific disabilities—for example, persons who are deaf or persons who are blind—the unemployment rate goes way up. For persons who are deaf, regardless of gender, the unemployment rate is over 90%. For persons who are blind, regardless of gender, the unemployment rate is in the high 80s and low 90s; I've heard various numbers. But it is way up there.

Mr. Toby Barrett: I perhaps had a bit of a leading question there.

With respect to employment and with respect to very low income—for example, with someone on ODSP you're sitting at a little over \$12,000 a year: \$12,600 a year. You are allowed to work, albeit part-time, and as you know, half the money gets clawed back. You're not allowed to build up much of a bank account or build up any assets of any significance, which I'm very concerned about. With young people and disabilities, the parents and everyone tend to get older. Eventually, when parents pass on, if there is not that asset base, I'm very concerned that there's a government policy that actually sends people down that road.

I'll just put in a quick plug to that end: I introduced legislation a number of months ago, through a private member's bill, to allow ODSP recipients to keep the first \$700 they make every month and to raise their asset limits to \$12,000, so they're allowed to have a lot more money in the bank than they are now. There are a number of other issues too. Any comments on that?

Mr. Terrance Green: That's a very positive step. My feeling and the position of Citizens with Disabilities—Ontario is that the ODSP incentives for persons to get back into the workforce are anti-productive. I say that because if a person does try to use the employment incentives that are built into the legislation, up until last year when the government changed the regulations where a person could keep their medical and dental benefits for a period of time after leaving ODSP and going back into the workforce, once they started work they tended to be in a much worse position than they were being on ODSP. As long as a person tries to enter the workforce and ends up being worse off than they were living on ODSP, there's no incentive for them to get out there and try to be productive and use the skills and abilities they have.

Mr. Toby Barrett: Another issue, as well, with those who are working part-time: There's this monthly or weekly paperwork—which doesn't provide employment, of course, with respect to government workers—and much of it seems to be based on suspicion that someone is scamming the system or hiding some of their income. I find it's a real disincentive. It's a hassle for many people. I know this committee received one recommendation with respect to monitoring or evaluating as something you do maybe at the end of the year based on taxes and things like that. Many other people are monitored that way, rather than this paycheque-by-paycheque monitoring and evaluation. Any thoughts on that one?

Mr. Terrance Green: I think annual monitoring and requiring a person who does work even part-time to submit their tax returns as part of the reporting mechanism to ODSP would be a very positive step, and I think it would be seen in that light.

Mr. Toby Barrett: Thank you, sir.

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

Mr. Terrance Green: Citizens with Disabilities would also like to present a written submission. What is our time frame for doing that?

The Chair (Mr. Pat Hoy): It has to be in by February 1 at 5 o'clock.

Mr. Terrance Green: February 1: on Tuesday. Okay.

The Chair (Mr. Pat Hoy): Yes. We'll provide you an address right now for that.

Mr. Terrance Green: All right. Thank you.

EASTERN ONTARIO LANDLORD ORGANIZATION

The Chair (Mr. Pat Hoy): Now I call on the Eastern Ontario Landlord Organization to come forward, please. Good morning. You have 10 minutes for your presen-

tation; there may be up to five minutes of questioning following that. This time the questioning will come from Mr. Tabuns of the NDP. Just simply state your name before you begin for our recording Hansard.

Mr. John Dickie: My name is John Dickie. I'm the chair of the Eastern Ontario Landlord Organization. Thank you for hearing from me. You should have a written submission in front of you, and I'll be following it fairly closely.

First, to tell you who our organization is: We typically call it EOLO because the full name is a mouthful and the acronym makes a nice word. Apparently, it's an Italian man's name. We checked that when we took the acronym.

We represent the owners and managers of more than 36,000 rental units in the city of Ottawa, including all the largest landlords and multi-residential developers in Ottawa, in addition to many medium and small landlords.

EOLO believes that landlords and renters have a common interest in free rental markets, in fair taxation of residential rental property, in high industry standards for customer service, and in housing assistance that supports tenants' rights to choose their housing and to move when and if they please.

We will address three suggestions today. The first is that the budget provide a permanent housing benefit program. The reason we suggest this is that Ontario's social assistance system is seriously flawed. For both OW and ODSF, their shelter allowance component is the same regardless of whether a beneficiary lives in a low-rent or a high-rent community. If you're living in a low-rent community in a small town somewhere and you have an ODSF shelter allowance of \$500 a month, you're fine. If you're living in Ottawa or Toronto, you are in serious trouble. You cannot possibly find accommodation in those cities for the shelter allowance that is provided.

0920

Many other provinces have what they call a portable housing allowance that provides additional assistance where housing costs are high and also provides additional assistance to the working poor, many of whom move on and off social assistance. Typically, it's the last benefit to be removed, so it preserves work incentives at the same time as helping people who have this specific cost problem.

The ROOF program—rental opportunities for Ontario families—was a temporary program of housing allowances and it did help some 25,000 low-income Ontario families, but it has certain design flaws. The biggest problem is that it has come to an end. There is no more entry into that program.

The long-term affordable housing strategy report indicated that the government would consider a permanent housing benefit program. The government should consider it quickly and adopt it. There has been a detailed proposal submitted to the government called A Housing Benefit for Ontario: One Housing Solution for a Poverty Reduction Strategy. That was created by two major charitable foundations; the Toronto-based Daily Bread Food

Bank; the Federation of Rental-housing Providers of Ontario, which is our equivalent at the provincial level; our equivalent in the city of Toronto; and the Ontario Non-Profit Housing Association. So you can see it has broad support across the housing and poverty spectrum.

There are certain details of the program, but the key elements are that it funds a part of the affordability gap, that it responds to differential rent levels, and that it responds to differential income levels. As a result, it is by far the most cost-effective thing that the budget could do to address poverty, and it would also serve to reduce homelessness. Recent studies have found that beneficiaries of either rent supplements or housing benefits tend to move into homelessness at a much lower rate than people who do not have those benefits, simply put, because it helps them pay their rent and put food on the table.

Moving on, EOLO believes that the budget should also provide an energy-saving subsidy program for rental housing providers. Residential landlords are in a bind this year, and they and tenants will suffer because of it. The guideline rent increase is at a historic low of 0.7%, but at the same time most landlords are facing cost increases of 3% to 8% for property taxes, utilities, and items newly subject to the provincial component of the HST. The main cost landlords can control is repairs and upgrades, yet with an aging stock of buildings, there is more and more need for repairs and upgrades.

We would suggest that the government and the Legislature could address both the energy goal as well as better housing for tenants through a program which would subsidize energy upgrades. It would also have the effect of creating jobs, many of them in Ontario. The structure we're suggesting is the structure that was used for the federal home renovation tax credit, which has a very low administrative cost, a high degree of certainty, and is very easy to use. That would be a mechanism which would be really of great assistance in managing the current situation.

The third thing I'm here to suggest is that in the long term, the province should rebalance the income tax system to reduce the extent of incentives for home ownership. For many years, public policy has promoted home ownership using both programs and, primarily, tax expenditures in the income tax system. Home ownership is the Holy Grail. I'll come in a minute to why it really should not be such a Holy Grail. In my presentation, I've listed the various ways in which the tax treatment of rental housing has become worse between 1970 and 1990 and, indeed, recently. This has been happening, and at the same time people are wondering why less rental housing is developed and why it appears to be less affordable. Well, these are the reasons: because it is being taxed more heavily.

The Ontario and Canadian apartment associations have recently commissioned a study by Dr. Frank Clayton, an economist specializing in real estate, to study program spending and tax expenditures between homeowners and renters in the private market. The study

found that the Ontario government provides an average of \$493 in subsidies for homeowner households versus \$58 for renter households. Doing the math quickly in my head, that's about one seventh as much. Yet renter households have, on average, half the income of homeowner households. This system is not right, it is not fair and it is not helpful to the larger economy.

What is problematic about home ownership? Well, there are several things. It locks people in, and that has a significant effect on the economy. Recent studies in the United States and across European countries have found that countries with high degrees of home ownership have higher levels of unemployment. It is simple to understand. What happens is that if they become unemployed, a homeowner will look for work within commuting distance of their home—if they can't find it, they may stay unemployed and live off the equity in their home—whereas renters look for work wherever they can find it, and then they move if they need to.

Our submission to you would be that rebalancing these incentives between renting and owning would make things fairer for tenants and would benefit the economy. In particular, this rebalancing would provide for higher labour mobility. It would provide for more incentive to invest in income- and growth-producing assets rather than owner-occupied housing. We have tremendous housing in this country, for the most part, and one of the reasons is because the tax system is so favourable for it. Thirdly, it would give the government potential ability to lower other taxes since owner-occupied homes are currently largely exempt from income taxes and all their various ramifications, whereas rental properties produce tax revenue. Of course, because landlords compete for capital like everyone else and we have to earn our rate of return on our investments, it is the tenants who are paying those taxes on rental housing.

A housing benefit program would be one small move towards redressing the current imbalance. I would urge it on you, and I would urge further steps and further investigation of these issues on all parties in the Legislature.

The Chair (Mr. Pat Hoy): Thank you. We'll move to Mr. Tabuns of the NDP.

Mr. Peter Tabuns: Mr. Dickie, thanks very much for this presentation, and thank you for coming in this morning.

Just to get a sense of the financial impact of the asks that you've presented, the energy saving subsidy program for rental housing providers, which I actually think has a lot of benefit to it: What kind of dollars are you talking about?

Mr. John Dickie: The Federation of Rental-housing Providers of Ontario has actually made a specific program proposal—or will be in their written submission; I'm not sure if they will be presenting orally. But they designed a program which will be in the range of \$50 million to \$100 million. So it's not chicken feed, but on the other hand, it's not a huge, huge amount of money.

In terms of the housing benefit program, again, that coalition designed a program which would cost \$250 million, but they also proposed a variety of ways in which that money could be found from other items already in the budget. For example, there is an annual increase to the shelter allowance within OW and ODSP. Well, if, instead of increasing that across the board, that increase in money were taken and applied to a housing benefit, which would address the greatest need, then it's self-funding.

In addition, there is a property tax credit for seniors, which is fine, but again, it's another one of these things that gives money to homeowners and leaves renters hanging in the wind. So if the money that was to increase that or if even some part of the current funding of that were to be redirected into this housing benefit, the coalition believes it could be largely self-funding within the government's current fiscal framework.

The report is available on the FRPO website, frpo.org, and also, I presume, on the Daily Bread Food Bank website and so on.

Mr. Peter Tabuns: I've seen people who did get benefit from that temporary allowance program. Is there any fear on your part that \$250 million put into the rental housing sector would have an inflationary impact on rent?

Mr. John Dickie: It's an excellent question, and it frankly is the reason why our industry organizations advocate for housing benefits with particular designs. The design that is proposed—and this was worked on by Dr. Marion Steele and other experts in the field, and I think Mr. Stapleton—avoids rent inflation. The system subsidizes a percentage of the affordability gap, but not 100%, so the tenant is still incentivized to economize on housing cost.

0930

The other provinces where this is used—BC, Manitoba and Quebec—have found that the system does not inflate rents the way they do it. They have a number of techniques they use to make sure that the tenant remains acutely aware of the marginal rent increase and seeks to avoid those marginal rent increases.

The ROOF program had a design flaw because it paid a flat amount of money if you were eligible. So the incentive was, if a tenant was not quite eligible, they could make themselves better off by going to the landlord and saying, "Look, raise my rent by \$20; then I'll be eligible. I'll get \$100, and I'll give you \$20, \$30 or \$40." It had that design flaw.

It is easy to avoid that design flaw. The other provinces know how to run these programs. Ontario can learn from them. Ontario doesn't have to go through their five- or 10-year learning period before they get it right. We can bring one in right now that does not inflate rents and that delivers really significant benefits to a lot of people at a very modest cost.

Mr. Peter Tabuns: I don't have any further questions.

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

Mr. John Dickie: Thank you.

PUT FOOD IN THE BUDGET

The Chair (Mr. Pat Hoy): Now I call on Put Food in the Budget to come forward, please. Good morning. You have 10 minutes for your presentation; there could be up to five minutes of questioning. In this case, it would come from the government. I ask you to state your name for our recording Hansard.

Ms. Sara Lyons: Good morning, everyone. My name is Sara Lyons, and I am a board member of the Centretown Community Health Centre, which is a member of the coalition in the Put Food in the Budget campaign.

Ms. Michelle Walrond: Good morning. My name is Michelle Walrond. I'm a member of ACORN, the Association of Community Organizations for Reform Now.

Ms. Sara Lyons: We're very pleased to be here today. As you'll see, there are a number of us here supporting our campaign. I want to just quickly list the organizations that are involved in our campaign, and this is in Ottawa only: ACORN, All Saints' Anglican Church Sandy Hill, Carleton University Graduate Students' Association, Coalition of Community Health and Resource Centres, Entraide budgétaire, Interfaith Sandy Hill, Jewish Family Services, Just Food, Ottawa Poverty Reduction Network, Social Planning Council of Ottawa, Somali Centre for Family Services, and Ottawa Inner City Health Inc.

The Put Food in the Budget campaign is a campaign to raise awareness about the inadequacy of food budgets within our social assistance system. The Put Food in the Budget campaign is structured so that Ontarians are invited to live on a diet similar to what someone living on social assistance would live on for up to a week.

The Put Food in the Budget campaign has two main demands. The first is an immediate increase of \$100 per month for every adult receiving social assistance as a first step towards addressing the inadequacy of current social assistance benefits. Second, we're looking for a fair and transparent way of setting social assistance rates so that people can meet their basic needs and lead a healthy and dignified life.

It's clear that a healthy and nutritious diet is out of reach for individuals and families living on social assistance in Ottawa. I have done the challenge, meaning I have lived on the prescribed diet through the challenge for a week. Healthy food choices are extremely limited.

Ottawa Public Health's recent survey shows that incomes of Ontario Works recipients, ODSP recipients and seniors receiving old age security are just not enough to cover rent and food. Michelle's presentation is going to delve into that a little further.

Our province's health units have shown that the annual cost of healthy food is simply not met. We understand that food banks and the charitable sector have a role to play in alleviating that need, but we think that the province has a lead role and that poverty is our

collective responsibility. The Ottawa Food Bank serves 43,000 people each month, 37% of whom are children.

Back to what we're asking for: We think it's time for Ontario to put food in the budget and introduce immediately a \$100-per-month healthy food supplement. This \$100 wouldn't actually be enough for a social assistance recipient to have a healthy, nutritious diet, but it's a start, and we think we really need to start somewhere. We're very pleased that the Ontario government has created a social assistance review, and we really do hope that that will go a long way in evaluating the true cost of living in communities across Ontario. We look forward to a new benchmark for income adequacy.

Just on a personal note: Why are we here and why are so many members of this coalition from community health centres? Part of that is because, of course, the social determinants of health are really key, and what we're finding, and I'm sure you've heard this in other parts of your consultation, is that inadequate diet and poor food are a key component of poor health outcomes. One of the key questions that you would ask is, "How much will this cost to raise the food budget?" I think the larger question is, "How much is it costing us not to?"

I can tell you that at our board table at the Centretown Community Health Centre here in Ottawa, we've had a lot of discussion recently about the rising rates of, for example, diabetes, and the emergence, funded by this very same government in Ontario, of a diabetes regional coordination centre, run through our health centre. It's great work, and I think we're doing a great job, but why do we need this? In part, we need this because so many diseases that are, in part, driven by poor diet and inadequate income are rising in our province.

Again, just to reiterate why we're here: We're looking for \$100 immediately per adult to support healthy eating for income assistance recipients, and we're also looking for a new, much better benchmark for adequate, healthy and dignified lives through the review.

Ms. Michelle Walrond: Good morning, honourable members of provincial Parliament. Thank you for receiving this deputation from the Put Food in the Budget campaign. As I said earlier, I'm Michelle Walrond, and I'm a member of Ottawa ACORN. We're a grassroots organization supported by more than 5,000 people who are members of ACORN and various allies in Ottawa. We advocate and seek to empower poor and moderate-income Canadians.

I'm also a recipient of ODSP. I operate a small home-based business, so I'm not doing as badly as most people who are on ODSP. When I moved to Ottawa 10 years ago, I was able to exercise my right to mainstream health care, and because of that, I'm able to operate an online tutoring service from my home. I'm able to tell you about how \$100 added to my monthly budget would be a very slight but appreciated stopgap goodwill measure for me and other recipients of OW and ODSP. We're struggling in every aspect of life.

As I said, I'm doing better than most people; I'm doing better than anybody I know who is on ODSP. I'd

like to show you my budget for February to illustrate. Were you given the handout of my budget?

The Chair (Mr. Pat Hoy): Yes, we have it.

Ms. Michelle Walrond: Great, okay. You can see that my rent is pretty cheap. I live in a one-bedroom townhouse in an unsubsidized co-op. My hydro bill is lower than many people's because I live alone and I'm very energy-conscious. My Internet service is an expensive necessity because my business is 100% Internet-based, so my service has all the bells and whistles. Nobody has cheaper car insurance than I do, but I wasn't able to pay my insurance last month, so this month I have to double up. I have to pay tenant's insurance, even though my total household assets are valued at less than what the deductible would be. I pay \$10 in dues to ACORN, and I make a \$10-a-month donation to Human Concern International because, like I said, many people are doing worse than I am. ODSP requires me to have a business bank account and a personal account; that's why my bank fees are so high.

My birthday is in March, so I have to renew my licence and pay for a parking ticket. I went to the emergency room and I didn't top up my meter because I was having a medical emergency, so I have to pay this amount because I couldn't get there to dispute the charges before the conviction date. Anyway, I have to pay the renewal in February because I don't expect to have any earned income in March. Right now, I only have five paying students and the next students' yearly tuition payment is due in April, and they're often late.

0940

My total household expenses are \$1,460, which is less than most people pay for their rent or mortgage in Ottawa, so I'm not doing as badly as most poor people. But then things get a little strange. Did you notice there's no food in this budget? I have about \$10,000 in credit card debt and more than \$2,000 in tax arrears. If I never use my credit cards again, it would take me more than 20 years to pay off my credit cards and taxes, but the debt will never decrease because every month I have to use these credit cards to pay for food and buy gas and anything else life throws my way.

The combined totals of all my expenses come to \$2,156. My ODSP allotment is only \$912 because they deduct the estimated average of what I would earn over the year from each month's allotment. I have one student who is scheduled to renew his contract for a year this month, so hopefully, if he actually keeps his promise and renews, I'll get paid \$1,165 after the bank remittance fees are deducted. I'll have \$17 left over for food. There's nothing left over for car repairs and maintenance. I hope MTO doesn't require me to get an emissions test or anything; I really can't drive anyway because I don't have any money for gas.

Adding \$100 to my monthly ODSP allotment wouldn't do much to improve my situation. It might just allow me to charge \$100 less on my credit cards, which would probably save me hundreds of dollars in interest

over the years, or maybe it might save me thousands of dollars in interest.

You men and women are the financial geniuses we've elected to set a fair, realistic and compassionate budget, so you do the math. That's the name of our committee: Do the Math. All I know is, if you approve this \$100-a-month stopgap food benefit, people like me and those who are a lot worse off than I am will be able to, for once, put a little bit of food in our budget.

Thank you very much.

The Chair (Mr. Pat Hoy): Thank you, and we'll move to questioning now from the government side. Ms. Pendergast.

Ms. Leeanna Pendergast: Thank you, Sara and Michelle, for being here this morning and for sharing your information with us.

Michelle, I did notice that there was no food in the budget; that's the first thing I looked at. I have three teenage sons, so as a mom, my eye went right to the food budget. Thank you for that presentation and for sharing your personal information.

I do want to start by saying that it's very important that we hear from you and we appreciate your time. Several of my colleagues have taken the challenge. I have not myself but I think colleagues throughout the House have taken it and are aware of the situation. My colleague here, Yasir Naqvi, has actually sat on the Centretown Community Health Centre board. I want to assure you that we do hear you.

We've been travelling throughout the province all week and we've heard presentations: Voices Against Poverty and the 25 in 5 Network have asked us to stay the course on the poverty reduction strategy. Social action committees have talked about a healthy foods benefit, so we are hearing the recurring themes and we do hear what you're saying. We hear you on the immediate increase of \$100 per month per adult and we hear you saying that there has to be a fair and transparent way of setting social assistance rates.

I wanted to tap into your expertise on three other areas that we are also hearing about. The first is to develop a strategy for disproportionately poor communities across the province. Have you had any discussions with your group on that particular topic?

Ms. Michelle Walrond: What we do at ACORN is we consult with people who actually have the problem themselves, who live in those neighbourhoods. For example, our first chapter in Ottawa was opened in Vanier, which is a disproportionately poor neighbourhood in some places. They had immediately a list—your work would be very easy if you spoke with them. I'll be more than happy to set up a meeting with people who are actually living in those conditions. You can ask them specifically what they think would be—a lot of times, the people who, like myself, are living in this situation can come up with things that you'd be amazed are much more simple. I'm looking at my house, paying my rent this month. If you will just multiply that by however many thousands we are, a lot of times that's

all the solution you need. We can get together and work out a solution that would solve the problems of the people who are actually experiencing the situation, living in these conditions.

Ms. Leeanna Pendergast: I think you said it quite eloquently, Michelle: We can get together and work out a solution. Thank you.

That is a segue to my next question. We're hearing a lot about, again, the bigger picture, about investments in social infrastructure, so investments in full-day learning, to stay the course in investing in full-day learning; affordable housing—we heard EOLO just talk about affordable housing; transit. Would you say that's consistent with your organization as well?

Ms. Michelle Walrond: I know that they are our allies. When they inform us of their objectives and their campaigns, our members—I'm a member of ACORN but I'm working with the Ottawa poverty reduction strategy and the Put Food in the Budget campaign. We're all in this together. So, yes. For somebody like me, living with it—people who are not immediately pressed with poverty have a little bit of working room. Quite honestly, I don't care what you do, as long as you improve the situation. We want improvements. We want things to be worked out now, or as soon as possible. There are people, as I said in my presentation, who are doing a lot worse than I am. Sometimes I wonder if they're going to make it another month.

Ms. Leeanna Pendergast: Can you take that thought about the “now” and translate that to training? The third thing that we're hearing consistently is that there has to be continued support for training.

Ms. Michelle Walrond: I'm a disabled person. I have training. I've got gobs of education, I've got gobs of experience, but I'm not physically able to do a lot of things. So training, for me—I started my business after participating in the self-employment benefit program with HRDC. That was very beneficial to me. So programs like that, that help—you basically choose what you can do and what your vision is for your life, and you're given the tools and the training to carry through with your vision for yourself. That's why I think that was a much more useful program than those that are saying, “Okay, here's training for this industry.” Those are good, but from my personal experience, the ones that make you capable of making your own decisions and putting yourself into a situation that you know you can handle are much more realistic and helpful to me.

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

Ms. Michelle Walrond: Thank you for having us.

Ms. Sue Lyons: If I may, we won't be presenting this to the committee, but we'll be giving this to his staff. We've brought a Valentine for Minister Duncan: “Don't fudge it; put food in the budget.”

The Chair (Mr. Pat Hoy): We are having problems with our interpretation this morning. There are some technical difficulties with those. So if anyone requires it,

if they'd identify themselves, we'll try our best to accommodate them. But we are having technical problems.

OTTAWA PUBLIC LIBRARY

The Chair (Mr. Pat Hoy): I would ask the board of the Ottawa Public Library to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. In this case, it will come from the official opposition. I would ask you to identify yourselves for our recording Hansard, and then you can begin.

0950

Ms. Barbara Clubb: I'm Barb Clubb, city librarian, Ottawa Public Library.

Ms. Jan Harder: My name is Jan Harder and I'm chair of the Ottawa Public Library Board. I'm also a city councillor here in Ottawa, and have been for 13 years. I'm also president of the Canadian Library Trustees Association and I'm on the board of directors of the Urban Libraries Council of North America. To say I'm hooked into libraries just a little bit would be—

Interjection.

Ms. Jan Harder: Yes, it wouldn't be a stretch.

The Ottawa Public Library/Bibliothèque publique d'Ottawa is the second-largest public library in Ontario, serving almost one million people. It is also the largest bilingual library—English and French—in North America. In 2010, our library experienced more than 32.5 million uses, including the circulation of more than 10.3 million items.

I am here today with our city librarian, Barbara Clubb, to:

- indicate the support of the Ottawa Public Library for the submission of the Federation of Ontario Public Libraries, which you'll hear later today, and of which we are a proud member;

- identify what the Ottawa Public Library does to help families, increase employment, and improve community services, and, in doing so, illustrate what the provincial government can do to more fully leverage its investments in Ontario public libraries;

- signify the support of the Ottawa Public Library for Knowledge Ontario; and

- thank you very much, the entire provincial government, for the \$15-million provincial development fund awarded to the Ontario Library Service in 2008 and for the province's participation in the recent infrastructure stimulus funding program.

Over to Barb.

Ms. Barbara Clubb: The Ottawa Public Library will be and is supporting the submission of the Federation of Ontario Public Libraries. We want to emphasize three points that they will be raising and which we endorse very strongly.

The first is that increasing the provincial operating grants to public libraries is the number one issue for the Ottawa Public Library. In 1996-97, the amount of these grants was decreased by almost 40%, and it has remained

static for the last 15 years at \$18.7 million. There has been no accommodation for inflation, population growth, or the new generation of users with fundamentally different information-seeking habits. Ontario has the lowest provincial per capita funding for library operating grants in Canada at less than 5%. There is also a significant disparity in the way the provincial government allocates its current support to libraries. Therefore, the funding envelope for provincial grants not only needs a major increase; its distribution formula needs a major overhaul.

Our goal of service excellence is really tied to funding. We ask that the government significantly increase the funding envelope for operating grants to public libraries to \$43.9 million, phased in over two years. Last month, the federation presented a specific proposal to the Ministry of Tourism and Culture for revamping the calculation of the grants. This proposal received wholehearted support from 99.4% of the respondents when the federation conducted a recent vote among its members representing the majority of public libraries and their municipalities in Ontario. Even after year two, if funding reaches the proposed level, this would only provide libraries with the same spending power they had in 1995. The proposed \$43.9 million simply takes the current funding envelope, adjusts it for Ontario's population growth and change in CPI from 1995 to 2006, and adds back the 40%.

Of course, because our libraries in Ontario come in all sizes and are located in every region, their needs and views vary significantly. However, on this particular issue, as potentially contentious as how to divide up a funding increment could be, the sector has reached consensus and has communicated resounding support for the federation's proposal. Taking advantage of this consensus, we think, certainly simplifies the challenge Minister Chan has stated publicly on several occasions, that "Public library funding needs to be fixed." You will receive the specific details of this proposal later this afternoon.

Our second item is that Ontario public library facilities really require rehabilitation. Public libraries have a considerable need for sustainable capital funding to address the requirement for periodic maintenance, renovation and expansion of their facilities. Their electronic information systems in particular need continual updating to ensure currency and accessibility. New legislation, such as the AODA legislation, is putting added pressure on our facilities for improvements.

Our third item is public libraries and literacy. The Ottawa Public Library is one of many Ontario public libraries which deliver almost 700 core literacy programs involving more than 1.2 million hours of instruction, often as a partner with other literacy partnerships in the community. As a universal access point for children and families, our library fosters pre-literacy skills, enhances children's development of language and numeracy skills, and improves family reading habits. Across the province, there are trained staff and a public library infrastructure in place. Public libraries are in communities large and

small, urban, suburban and rural, and in remote areas and First Nations communities as well. Therefore, we ask that public libraries be allowed to access provincial funding streams that are dedicated to early literacy, for literacy is our business too.

Ms. Jan Harder: Public libraries support provincial priorities and the development of our citizens. The Ottawa Public Library, like all public libraries, is a local service channel which can be leveraged to further provincial priorities in key areas. Specifically, the Ottawa Public Library does many things in enriching the personal, professional and civic lives of our citizens.

Through our business services program, we serve as business incubators, supporting fledgling entrepreneurs who are the drivers of local economic recovery and job creation.

Through our career services program, we provide niche specialized services and resources for career planning, job searches and upgrading skills.

Through our newcomer services, in partnership with Citizenship and Immigration Canada and five local settlement agencies, we provide services to help newcomers to Canada succeed through settlement support, language acquisition that includes ESL programs, accreditation and employment support, while reinforcing community and cultural connections.

Through our learning and literacy programs, such as Every Child Ready to Read and 123 Read with Me, which is our infant literacy program, the Ottawa Public Library facilitates success in the school system through the delivery of many free preschool and children's literacy programs, and we provide access to a vast array of expertise to support the education of children ages zero to 18, as well as adults.

We serve as a citizens' bridge to other community services through our free museums pass program, our pedometer and kilowatt meter lending services, and our new and very popular ski pass program to promote more healthy lifestyles. Our branches serve as access points for citizens to purchase their monthly ODSP-subsidized bus passes, and our library is a key resource for loaning French-language materials to many other public libraries throughout the province.

In short, the Ottawa Public Library's 33 branches and two bookmobiles, combined with our digital service program, are hubs in our community and are often the only public space where residents can gather freely and dialogue, and thus contribute to a healthy, educated and informed Ottawa.

Just as an aside, we move 60 tonnes of library material around our city every single week.

Ms. Barbara Clubb: The Ottawa Public Library supports Knowledge Ontario. This is an agency funded by the government of Ontario. It provides efficient, effective services and programs to us and other public libraries, and other libraries, in the province. What Knowledge Ontario offers is fundamental to our library and to the people of Ottawa, and we hope you will con-

tinue to provide the necessary funding to support these vital province-wide and cost-efficient tools.

Ms. Jan Harder: The Ottawa Public Library gratefully acknowledges the support of the government of Ontario in the form of two recent programs: the \$15-million investment in Ontario public libraries, and the infrastructure stimulus program. In Ottawa, that meant that, working with the city of Ottawa and the federal government, we received almost \$5.5 million in ISF funding. This allowed us to build one new rural branch in the village of Greely and complete significant rehabilitations in six other branches.

In my concluding remarks, the Ottawa Public Library respectfully recommends that if the government of Ontario is concerned about early childhood reading readiness, resources to support educational achievement and lifelong learning, equitable access to information and materials regardless of one's financial or geographic status, assisting small business development that underpins the Ontario economy, helping newcomers integrate effectively into their new communities, and spending money wisely, then invest more in public libraries. Increase our provincial operating grants. Give us access to provincial funding streams for early literacy development, support Knowledge Ontario, and establish a capital infrastructure fund designated for public libraries.

Thank you very much.

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The Chair (Mr. Pat Hoy): You have impeccable timing.

Ms. Jan Harder: A little note I slipped over to Barbara: "We're going to run out of time."

The Chair (Mr. Pat Hoy): The questioning will go to the official opposition. Ms. MacLeod?

Ms. Lisa MacLeod: Welcome, Jan. Welcome, Barbara. I'm happy that you're both here today to introduce you to so many of my colleagues. For my colleagues, Councillor Harder is my former boss. She is a big reason that I actually became involved in politics, so I'm happy to see her do this and happy to have Barb here, whom I used to work with at the city of Ottawa as well. They've been doing tremendous work, not only in working with the province and the federal government with the stimulus. My riding was obviously a beneficiary with the Greely library, which I was at yesterday. It's coming along quite nicely.

One thing that you didn't mention but I know just from talking to people in our community, Jan, is the amount of people who are actually going to the Ottawa Public Library now for e-books and DVDs and the like. You didn't mention that, but that has to have a significant cost in how you're doing business, and it's also sort of transformational in how people are actually participating in literacy, whether it's just themselves or with their families. I just wonder if you have a comment on that.

Ms. Jan Harder: I do, briefly, and then probably Barb will as well. Since amalgamation, which was 10 years ago, the Ottawa Public Library has increased in its usage by 60%. What we do is, we have a very strong

strategic plan that we look at every two years to confirm that we're still on track. Everything we do ties into that strategic plan, so e-books, DVDs—such a small part of our business is the DVDs. The e-books are certainly growing. Access to our website, the library website: We have more hits than the city of Ottawa does. We are constantly evolving and aware of the changes and the opportunities and that's why, in reading the material that you heard today, I'm talking about more than just children's programs. I'm talking about what we do for businesses and what we do for newcomers and what we do across the boards and the partnerships we have within the city. We respond like that, as long as it's within our strategic plan.

Ms. Barbara Clubb: In terms of e-books, we have downloadable audio books and downloadable electronic books. It's the electronic books that are taking off like wildfire. It's had a rather peculiar effect, though, on our budget; that is, when you take out an e-book, it sort of gets returned, when you're done, by itself. You don't have to bring it back, and as a result, people don't have overdue fines. So it's having a negative impact on our revenue stream in the fines area. But it's an area that is hugely popular. We collaborate with libraries across the country and in the US in terms of using only a few vendors so that they can negotiate what is called digital rights management, because that's a very big issue for us.

Ms. Lisa MacLeod: Listen, Barb, just quickly, I want to change to what you're doing with newcomers. Obviously, the city of Ottawa is different than any other city in the entire province because we're the national capital. We're unique in that we have a very large francophone component to our city, but we also have newcomers from virtually everywhere in the world. I'm wondering—you talk about newcomers: How many languages are you working with at the Ottawa Public Library? I'd be interested to know. Obviously, that's unique, and it gives our library system here in Ottawa a different set of challenges than maybe anywhere else in the province.

Ms. Barbara Clubb: I would say first of all that the city in this province with the largest and most unique language collection would be Toronto. But here, we collect in nine different languages. We have, of course, representation in many others, but because of our funding situation, we had to make a choice several years ago. That choice was to build in the languages of the newcomers rather than folks who have been here for a longer period of time. Every new census, we re-evaluate the languages that we're putting money into.

Ms. Lisa MacLeod: Which ones are they right now, just out of curiosity?

Ms. Barbara Clubb: Off the top, they would be French, Russian, Arabic, Spanish, Chinese, Urdu, and I can't remember the rest. But those would be the major ones.

Ms. Lisa MacLeod: Yes. Do you do a lot of translation services at the branch because you're working with this newcomers program, or is it generally that you're just purchasing books?

Ms. Barbara Clubb: Well, we purchase books. In some languages, they prefer electronic materials and DVDs etc. rather than books, so it varies.

In 10 of our branches, we work with the local settlement agencies and Citizenship and Immigration Canada. The settlement agencies place what we call library settlement workers in those branches, and they work as a liaison between the newcomers and the library services. We have quite a bit of information on our website in terms of welcoming newcomers; that's in about 20 languages. I wouldn't say we do formal translation, but of course the settlement workers all have at least one, if not four or five, languages at their disposal, so they do help with that translation process, but it's not a formal thing. You don't bring in a letter to get translated, that sort of thing.

Ms. Jan Harder: We also look at where people live in larger numbers. For example, you might be surprised to know that in Barrhaven, we have Chinese settlement workers. You would think that in Barrhaven there are so many other languages spoken etc., but it is a hub for the Chinese, and we have a lot of adults who come to that program.

Ms. Lisa MacLeod: Yes, I think it's fantastic, and you've really shown how you've evolved.

The Chair (Mr. Pat Hoy): Thank you. The time for questioning has ended.

Thank you for your presentation.

ENVIROCENTRE

The Chair (Mr. Pat Hoy): Now I call on EnviroCentre to come forward, please. Good morning. I've noted that you have been sitting there since the beginning, but you do have 10 minutes for your presentation. I usually give a one-minute warning so people know when they might want to wrap up. Just simply state your name for our recording Hansard.

Interruption.

The Chair (Mr. Pat Hoy): Somebody has their BlackBerry on.

Mr. Dana Silk: It's my timer; sorry. Good morning—

The Chair (Mr. Pat Hoy): I'll give you a warning when you have a minute left.

Mr. Dana Silk: My name is Dana Silk. I'm the general manager of EnviroCentre. We are a non-profit organization that has been promoting energy-efficient goods and services in Ottawa since 1999—

Interruption.

Mr. Yasir Naqvi: Dana, if you could turn that off.

Mr. Dana Silk: It's not mine; I turned it off.

Over the last 10 years, as you see in the chart there, we've been focusing primarily on delivering a retail program—the federal ecoEnergy and the provincial Ontario home energy savings program and low-income weatherization programs, which are mandated by the Ontario Energy Board through the gas utilities. Unfortunately, the Ontario Energy Board does not mandate local distribution companies like Toronto Hydro,

Ottawa Hydro or Hydro One to invest in low-income energy conservation programs, and that's a big problem that should be rectified because 90% of the energy subsidies in Ontario go to people who do not need them. That's 90%. In fact, there's pretty good evidence showing that low-income households actually contribute more to energy subsidy incentive programs than they get out of them.

If you add up the numbers over the last 10 years, EnviroCentre is taking credit for investing upwards of \$40 million in eastern Ontario's economy, which translates into a lot of jobs, of course. One of the advantages of investing in energy efficiency measures is that the money primarily stays in the country or in the locality instead of, say, going to Alberta or some other place even further away. It's very, very difficult to outsource energy efficiency upgrades; the kind of work that's done through energy efficiency cannot be outsourced to China, for one example.

Of the 15,000 home energy audits that we've done over the last 10 years, you'll see that people have invested a lot in draft sealing, upgraded furnaces and basement insulation. Again, all of these things are generating really good jobs in every community across Ontario.

In terms of the investments, you can see that in over 60% of the audits that we did in Ottawa and eastern Ontario, each household invested more than \$3,000. One of the good things when going through these programs is that this money stays out of the black market. When you put a new furnace in, you can't put it in by your cousin. When you do most of these energy efficiency upgrades, you have to pay by cheque or Visa, and you have to pay HST. The people who are doing the work pay income tax. So energy efficiency is a very good thing for provincial and, I suppose, federal economies. When these programs end, it goes back to the black market, which is not a good thing.

1010

Unfortunately, the federal government ended its program almost a year ago. It blindsided all of the partners across the country, including the government of Ontario and a lot of utilities, and ended its program. Unfortunately, the Ontario government is doing the same. As of the end of March this year, the Ontario home energy savings program, despite great results, is coming to an end. That's something that we certainly regret. There's talk now about the federal government perhaps bringing it back in. If they did that, it would be for the third time. It's really unfortunate, when you're trying to build an industry, when you're trying to build consumer confidence in these kinds of programs, to turn the taps on and then turn them off. That's what's happening.

If you go to the Ministry of Energy and Infrastructure's website, it still today says that there's time to participate. But you actually now have to get your first audit done; you've got to run out and get a furnace contractor or an insulating company to get in there and do all the work; get the second audit done; and get all of

that done before the end of March. It's going to be very, very difficult to do that, and it's certainly regrettable.

Almost—well, not quite—as bad is that the replacement of these programs—they're saying that they're going to replace them, and it will be available province-wide as of January, which is this month, with rebates and in-store coupons. That sounds good—in-store coupons are great for Walmart and Home Depot because they drive consumers into these big-box stores where they buy all sorts of other stuff—but they're not so good.

The other big problem with the current Ontario Power Authority plan is that these programs will be delivered by your local distribution company, which is jargon for your local power utility: Hydro One, Toronto Hydro, Ottawa Hydro. Unfortunately, 80% to 85% of the energy consumed in homes in Ontario is gas or wood or oil, not electricity. We can't really depend on the local distribution companies to help 85% of the market, because it's not really their market.

If you move on to the next slide, you'll see home energy performance reports. You may recall—and I was going to address the official opposition here, but it seems to have left the room—that home energy labelling received all-party support in the Legislature a number of years ago. It no longer receives all-party support. I think it receives one-and-a-half-party support because it has not been enacted, despite the fact that it's part of the Green Energy Act.

In Europe, home energy labelling has been mandated since 2004. In France, as of this month, no real estate asset can go on the market, be announced, without a label saying, "This house"—or this apartment, if you want to rent—"consumes a little bit of energy or a lot of energy." It's really very much a consumer protection act. It will also, of course, dramatically reduce energy consumption and increase employment in every community across Ontario.

Certified energy advisers: We now have thousands of them in Ontario. Many of them are looking for other jobs with the phasing out of the program. We'll see. I keep telling them, because we have 30 who work with us, that the market will come back—sooner, we hope, than later.

One of the reasons that we know that the market will come back is that, in California, which is about a decade or two ahead of us, the research has shown—and I think last year I presented to many of your colleagues similar kinds of data, which unfortunately is not available in Ontario. We don't really have any good idea of how many jobs are generated in Ontario because no one is paying adequate attention to it. But if we base the Ontario situation on California, we could project about 15,000 new jobs per year in Ontario through energy efficiency upgrades, which I think all parties would certainly support.

So, getting down to the little scorecard here: We're giving a green "good." HST on energy bills is a good thing. It may be tough for people like Michelle—by the way, Michelle is spending about \$150 a month on her power bill. That's way too high. She should be benefiting

from the same kind of program that we deliver to Ontario Works recipients that enables them to reduce their power bills, but unfortunately ODSP people aren't qualified.

Am I getting close?

The Chair (Mr. Pat Hoy): Yes, you have a minute and a half.

Mr. Dana Silk: A minute, okay.

The Chair (Mr. Pat Hoy): No, a minute and a half.

Mr. Dana Silk: Smart meters and time-of-use rates—also very good things, although they're going to take some adjustment to get used to. Home energy labelling: again—I think I've covered that—a very good thing.

A 10% rebate on power bills is not such a good thing. Most of that money is going to reward people who don't really need to be rewarded for using more electricity. It's not really the best thing to promote energy efficiency.

The Ontario Energy Board needs to be reformed. Again, it's a little out of date. The Ontario Power Authority really needs to have a good look taken at it. The Ontario Municipal Board, in terms of its decisions, also needs to be reformed.

Let me conclude by noting that over the last year, EnviroCentre has invested in a new demonstration project in this old brick house in Ottawa. There are hundreds, thousands, probably tens of thousands like it across the province. It had a 43-year-old boiler. It had enormous air leakage. It had no insulation in the walls. We retrofitted this in a cost-effective way, reducing the energy consumption by about 80% despite the Ontario building code, which basically says to people who want to do something, "It's okay if you don't do anything." That's why thousands and thousands of houses across Ontario aren't being retrofitted: because the Ontario building code is archaic and needs to be drastically brought up to date.

The Chair (Mr. Pat Hoy): Thank you. We'll go to Mr. Tabuns of the NDP.

Mr. Peter Tabuns: Dana, thanks very much for the presentation. It's an unfortunate matter that you have to bring before us.

If, in fact, the program were to be continued, what sort of annual expenditure would we be talking about?

Mr. Dana Silk: Less than the amount that's being invested in the clean energy benefit—way less.

Mr. Peter Tabuns: Can you be more precise?

Mr. Dana Silk: No, I can't. I'm sorry. But I'm sure the minister could provide you with that number.

Mr. Peter Tabuns: Sometimes I get those numbers, but not always.

If in fact the program is shut down, what impact will that have on the people whom you have assembled and trained to do this kind of work in Ottawa?

Mr. Dana Silk: Well, they're looking for other jobs. It's quite sad.

When we started the program 12 years ago, at the federal level, we did hundreds of energy evaluations a year when there were no grants. When Jean Chrétien introduced grants back in the good old days, when Canada was going to do things at Kyoto and that kind of

thing, the number of evaluations just in Ottawa went up into the thousands. When Ontario came on board, it went up even more. So we suspect that it will go back down to hundreds. In fact, maybe even less, partly because people are going to—you know, we've sort of picked the low-hanging fruit. The people who want to do this kind of thing have already done that, so we've kind of lost that market. Then we've got the other market, people driven by money who just want more grants, and if there are no grants, they're not going to do it. Plus, there's this sort of bitterness out there: "Oh, it's another government program that's come and gone."

So it's going to be tough, unless, of course, all parties in the Legislature support, in their election planks or whoever gets elected, mandatory home energy labelling as a consumer protection initiative in Ontario that will generate employment right across the province.

Mr. Peter Tabuns: Do you have an estimate of the total reduction in electricity consumption or reduction in greenhouse gas emissions from gas-fired and oil-fired heating systems that results from the work that you've done?

1020

Mr. Dana Silk: Yes. The last time we did that, which was about a week ago for the home show, we're talking on average about three tonnes per home. You may recall that about five years ago, the federal government—

Mr. Peter Tabuns: The One-Tonne Challenge.

Mr. Dana Silk: Yes, the One-Tonne Challenge. Everybody thought that was terrific, so we're getting up to at least three times as much.

I give a lot of presentations at home shows and events like that, and one of the big ones is, "Beat the HST on your power bill." It's really easy. The HST is only 13%. It's a socially progressive tax and it's really easy to reduce your power bill by 15% to 20%—really easy. If you're really aggressive, you get it up to a 20%, 30% or 40% reduction. So if we want to do these things and create jobs right across the province, we can.

Mr. Peter Tabuns: I understand the number per household. Is there an aggregate number on all the households you've done on electricity saved and greenhouse gas emissions avoided?

Mr. Dana Silk: Again, off the top of my head, if you took the three tonnes and multiplied it by 15,000, we're getting close to—that works out to be a lot, anyway.

Mr. Peter Tabuns: Right.

Mr. Dana Silk: And it could be a lot more.

Mr. Peter Tabuns: Okay. The programs that are replacing you: coupons that can be redeemed at Walmart and Home Depot, and there's a rebate program that you mentioned as well.

Mr. Dana Silk: There's the rebate on the power bills.

Mr. Peter Tabuns: And that's it?

Mr. Dana Silk: That's it.

Mr. Peter Tabuns: So your sector is being eliminated—

Mr. Dana Silk: Eliminated? I wouldn't say that. Our sector is being ignored in favour of other sectors that are a little more popular.

Mr. Peter Tabuns: It's being de-funded, and the funds that used to go to you are going to coupons for Walmart, Home Depot and others.

Mr. Dana Silk: What we have been suggesting is that, okay, phase out the grants, replace them with mandatory home energy audits from a consumer protection point of view, and the market will drive that at no cost—other than a little bit of political cost, knowing a few real estate agents—to the provincial treasury. That's what we need to have happen in Ontario. So it's not a question of funding home energy audits; it's simply a question of enacting the legislation.

Mr. Peter Tabuns: Okay. Thank you. I don't have any other questions, but I appreciate it.

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

CHAMPLAIN HOSPICE PALLIATIVE CARE PROGRAM

The Chair (Mr. Pat Hoy): Now I'd ask the Champlain Hospice Palliative Care Program to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning, coming this round from the government. I'd just ask you both to state your names for our recording Hansard, and then you can begin.

Dr. Kathy Logsdail-Downer: I am Dr. Kathy Logsdail-Downer, executive director of Friends of Hospice Ottawa.

Ms. Jocelyne Contant: I'm Jocelyne Contant, the interim program manager for the Champlain Hospice Palliative Care Program.

Good morning, Mr. Chair and distinguished committee members. On behalf of the many health care providers in the Champlain region and of our collective clients, we thank you for the opportunity to present on important issues pertaining to health care and in particular to community and residential hospice services.

Although today we will concentrate on hospice, our concerns are fundamental to Ontario's and Champlain's health care systems, to the quality of care provided and to the system's sustainability. We are intimately aware that exponential increases in cost are threatening health care and we are also aware that some cost control measures are understood. For example, we know that expenditures are highest during the last years of life, particularly when people are living with multiple chronic conditions and diseases. In fact, these are the same people who make up the client and patient base of hospice and palliative care services. We also know that over the years, focus on palliative and end-of-life needs has partially been thwarted by our culture, which so often perceives death with discomfort and views it as a failure of science rather than the culminating stage of living.

However, as our health system providers gain an improved understanding of chronic disease management and its many challenges, the needs of those at the end of the chronic disease continuum are being better analyzed and better understood. Indeed, hospice palliative care has now garnered the knowledge and skills necessary to effectively and compassionately care for people with progressive incurable illness. It can do so in a manner that not only improves the quality of their lives, but that also improves the system's cost-effectiveness.

One key component in the related spectrum of services is hospice care, which includes residential in-hospice or in-patient services for end-of-life care—that is, in the last few days and weeks of life; and community-based and home-based hospice support services. These elements complement those offered in acute palliative care units and those provided by community and hospital-based palliative care specialist consult teams, by family physicians and home care, amongst others.

Today, in Champlain and throughout Ontario, a lack of adequate hospice residential and community services results in unnecessary emergency room visits, in admissions to hospital beds, and in deaths of people in acute care hospitals, at great inconvenience and burden to patients and their families and at high expense to the system. We are, in fact, underutilizing a clinically proven, cost-effective approach to serving a growing number of individuals.

Although similar circumstances are found throughout Champlain, we will use Ottawa as an example to clarify the fiscal issues, impacts and requirements. In the year between April 2009 and March 2010, 458 patients at the Ottawa Hospital were accepted for admission to a palliative care unit or residential hospice bed, since they no longer needed acute care and would be more appropriately served in those settings. On average, these same individuals waited 7.2 days for a transfer. A conservative cost estimate for caring for people with these levels of care in an acute care bed is \$1,000 per day. Thus, those services for those same 458 people cost approximately \$3.2 million during that year in question. Meanwhile, the cost of hospice care amounts to approximately \$460 per day per person, or, for that same group of 458 patients, approximately \$1.47 million. Had these individuals promptly accessed hospice beds, the system would have saved \$1.73 million in that year alone.

In this case, it should also be noted that 160 of those patients were never able to access a hospice bed and died in acute care, a setting where costs are high and where the provision of quality end-of-life care is a big challenge.

In a second example, between April 2007 and March 2008 at the Queensway Carleton Hospital, a large community hospital in Ottawa's west end, 59 people were referred to a hospice or palliative care unit; 28 of those people died while waiting for bed availability. These individuals waited an average of nine days from application to discharge or death, representing 450,000

acute care dollars, compared to a potential \$248,000 had the people been in hospice care.

Furthermore, even more people could benefit from hospice services and reduce acute care costs if we were able to identify a patient's palliative care needs in a timely fashion. Some people who remain admitted to a medical unit of an acute care hospital would have been served more appropriately within a hospice palliative care framework. For example, at Ottawa's Montfort Hospital, a cross-section study conducted over eight days showed that 39% of the patients in the medical unit were indeed palliative, related to cancer or non-cancer diagnoses. If these patients could have accessed hospice beds, the system would have reduced its costs significantly.

Another impact of inadequately resourced hospice services can be felt in the emergency departments, where people at the end of life often seek care, thereby unnecessarily increasing wait times for everyone. In a recent study of 262 consecutive cancer patients who visited the emergency department at The Ottawa Hospital within two weeks of dying, 45% were admitted to acute care because of inability to cope at home, and 56% because of poor pain and symptom control. Many, if not most, could have been spared an emergency department visit had there been sufficient hospice and palliative care beds for respite, for rebalancing or for longer-term care.

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A much-larger-scale study in Ontario between 2002 and 2005 showed that over 76,000 of the 91,000 patients who died of cancer made more than 194,000 visits to the emergency department during the final six months of their life; furthermore, more than 31,000 made more than 36,000 visits to the emergency departments within the final two weeks of their life. Many of these visits may well have been avoidable if appropriate hospice beds, palliative care units, home care support, early preparation and advance care planning had been available.

Given the current gaps, people in need of hospice care have little choice but to reach out to emergency departments. Residential hospice services would provide high-quality care by professionals and qualified volunteers, thereby mitigating the burden on families caring for loved ones at home and removing the stress and system impact of emergency visits. Thus, we know that people and the health care system will do better with more and improved residential hospice services.

But how much more is required? Dr. Konrad Fassbender, working in the renowned Alberta palliative care system, reports that hospice days rose in his jurisdiction from zero in 1994 to 28.6 in 2000, and that, along with other enhancements in community palliative care, this addition of hospice beds curbed the cost of acute care and balanced the overall cost of palliative and end-of-life care for over 16,000 patients that they studied. In 2006, the same Dr. Fassbender conducted a review of the palliative- and hospice-bed needs in Ottawa and concluded that the Ottawa area required between 66 and 88 hospice beds. In 2011, people in this area have access to nine: a significant gap.

An Ottawa transition committee of local hospice service providers and the newly formed Champlain Hospice Palliative Care Program are bringing together key stakeholders to establish a system design for hospice services that is intended to stretch the available funding dollars to offer more beds and improved care. Nonetheless, fundamental problems remain. Investment is insufficient to even maintain the current level of service, let alone finance growth.

This financial inadequacy is compounded by an outdated public health care funding formula. Only 20% to 40% of the daily costs of operating residential hospices are financed through the public purse—20% to 40%. The remaining 60% of operational costs are covered through charity and fundraising. This arrangement is neither appropriate nor sustainable. To be sustainable, we know we must control our health care costs, and must do so while improving the quality of care and the experience of clients. Community and residential hospice services are crucial along the continuum of care and are prime services for showcasing effective means to reach health care system objectives.

Furthermore, Champlain offers a unique opportunity to further develop these means: We are the first in the province to establish a regional hospice palliative care program. This speaks loudly to our collective capability and collaborative nature to solve the crisis in health care that is the current state of community and respite services in Ottawa, in Champlain and throughout the province.

In the capital city of Ottawa, a proper residential hospice services program would cost about \$5.6 million, bringing with it, however, a savings of at least three times that amount. We urge the committee to facilitate the required changes to the funding formula for community and residential hospice services and to foster, through the provincial budget deliberations, enhanced funding in Champlain and throughout Ontario for these important, cost-effective services.

Thank you for this opportunity, and we will be happy to respond to questions.

The Chair (Mr. Pat Hoy): Thank you. We'll move to the government and Ms. Pendergast.

Ms. Leeanna Pendergast: Thank you, Kathy and Jocelyne, for being here this morning and for your presentation—a really, really thorough presentation, and we appreciate that. There are a lot of numbers that are going to take some second looks.

Some numbers did stick with me. For patients in palliative care, seven to nine days' wait is too long, absolutely, and they don't belong in an ER, so thank you for that.

You mention at the beginning of your presentation about sustainability and that you understand that control measures are understood. I thank you for that comment, because it is about that fine balance and how we maintain that sustainability.

You also talk about chronic disease, which focuses on the prevention end, which is what this government is doing in investing in the ALC strategy, alternate levels of

care. You talk about the prevention piece, and then you talk about the palliative care, so that whole continuum of care. I guess what I'm getting to is, that's a lot, right? That's a huge spectrum.

You say there's a lack of adequate hospice residential and community services. I'm going to come back to later in your presentation and ask you to itemize what that entails, because we've heard across the province what that means to different communities with different demographics in the province, and it's very important that we understand what that means here in the east and in Ottawa. Are we talking capital dollars, are we talking operating dollars or are we talking training? What exactly are we talking? I'll come back to that.

We have heard the \$1,000-a-day number consistently. Thank you. We've heard that loud and clear, and that we have to move patients out of hospital.

I had a question—I think you answered one of my questions—on page 3, where you talk about, "Many of these visits may well have been avoidable if appropriate hospice beds, palliative care units, home care support..." Are these the actual itemized things that you're asking for continued support for? Secondly, would that mean more training? Because we've heard, again, from colleges, from different organizations across the province and from hospitals that may engage in some sort of training support or partnerships or whatever.

Dr. Kathy Logsdail-Downer: I'll begin by saying that this has been a very historic week for us in the Ottawa area, with yesterday's Ottawa Citizen, on the front page, "Dying with Dignity," and on the front of section 3, the Champlain local health integration network approving more hospice beds. We have come together, the primary stakeholders in Ottawa being the Hospice at May Court, Friends of Hospice Ottawa and Bruyère Continuing Care, to work on a collaborative plan that would show a single entity of governance and administration that is first, again, proposed in the province and has been approved under the regional plan.

Currently, we have nine beds; there should be a minimum of 66 to 80. We have community support services in the west and central parts of Ottawa.

This plan, approved on Wednesday by the Champlain LHIN, will bring an addition of 30 beds plus a bit of a reconfiguration of Bruyère service capability, and expand the community support across the city.

The training aspect of it is something where we will be working very closely with the regional plan to set in place best-practice standards and consistent training. Our Ottawa proposal is looking initially at placing some proper palliative care within existing facilities, and the training levels are higher than those, for example, currently in long-term-care or retirement homes, so there will be training components to optimally care for that need.

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Ms. Jocelyne Contant: May I just add, perhaps—you mentioned capital. We're trying very hard not to have to invest in capital but to share space, to look for space in

existing kinds of situations, either in long-term-care homes or residential facilities or wherever, recognizing that any monies we get need to be focused on the services that are actually being provided to the clients.

Because we are working in a very collaborative manner, we feel confident that we will be able to do that, providing we can find some operating money, which is what this is all about, for the beds that Kathy has alluded to.

Ms. Lisa MacLeod: Chair, if I just may: These folks do incredible work. I wanted to point that out. I work with them in our community. One of the biggest things they just said to Ms. Pendergast was “dying with dignity.” I just wanted to reiterate how important that is. I want to congratulate them for doing excellent work in our community.

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

GREATER OTTAWA HOME BUILDERS’ ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Greater Ottawa Home Builders’ Association to come forward, please. Good morning. You have up to 10 minutes for your presentation. There could be up to five minutes of questioning, coming from the official opposition in this round. Just simply state your name for our recording Hansard and you can begin.

Mr. John Herbert: John Herbert. Mr Chairman, members of the committee, good morning. As I mentioned, my name is John Herbert. I’m the executive director of the Greater Ottawa Home Builders’ Association. I’ve been in the urban growth field one way or another for about 40 years. I’ve worked in municipalities across Canada, federally and internationally, for both government and the private sector.

The Greater Ottawa Home Builders’ Association is the second-oldest home builder association in Canada and this year is celebrating its 60th anniversary. We are the voice of the residential construction industry in Ottawa. We have about 340 members representing every aspect of the residential construction industry. Our members were responsible for producing approximately 90% of the homes in Ottawa; last year, that was about 6,500 units.

We collectively employ about 30,000 people in high-quality, high-paying jobs, and we pay out about \$1.4 billion in wages annually. We also contribute about \$150 million annually to the province in the form of PST and HST. Given the fragile state of Ontario’s economy right now, we believe that the residential construction industry remains a very stabilizing force. We work together with the Ontario and Canadian home builders’ associations, which jointly comprise one of the strongest and most reliable pillars in the Canadian economy.

This last year has demonstrated the resilience of the industry. Our housing starts came back about 11% over what they were in 2009, which was a very bad year. Certainly, compared to other sectors in the economy,

especially to those in the housing markets in the United States, the residential construction industry has served as a really solid economic anchor in the province.

Despite all that, we are increasingly concerned about unemployment. Ottawa’s economic base is the federal government, and any time there is an election or there is a deficit reduction program in Ottawa, our economy suffers very dramatically, particularly the housing industry. When federal civil servants don’t know whether they’re going to have a job or if it’s going to be transferred to another area of the country, they simply stop spending—spending on anything, including major acquisitions such as homes and automobiles. The same thing goes during deficit reductions. There are thousands of jobs that are cut. The last time we had a serious deficit reduction problem was the period of Prime Minister Chrétien, with Paul Martin as finance minister, in the early to mid-1990s. We suffered very severely during that time. Many of our builder members went bankrupt. Many of our trade suppliers went bankrupt. We’ve only just recently really recovered from those serious negative days, so we remain concerned about what’s going to happen in Ottawa as the federal government has to come to grips with the significant amounts of money that were spent over the past couple of years to fight the recession that the world found itself in.

That’s why we’re strongly recommending that the provincial budget continue to focus on employing people and generating new jobs. One of the ways to do this is in core infrastructure. We’re focusing our comments today on three areas: transit, underground, and intellectual and economic stimulation.

On the transit front, we’re very thankful for the millions of dollars that the province is contributing to Ottawa’s new LRT program. We simply ask that the province, together with the federal government, keep a close eye on the city of Ottawa and how they handle this project to make sure that it does not vary in any significant way from what has been proposed and what the funding was based on.

We have a number of other areas that I’ve noted here in the document, small transit projects that we believe are important for the area: the extension of Earl Armstrong Road from Limebank Road to Bank Street; the extension of Hope Side Road from Terry Fox Drive to the 417; the extension of Hunt Club Road in the east end to connect to Highway 417; and the widening of Carling Avenue from Nortel.

The last one is a mention of the outer ring road. This was an issue that came up during the last election. We believe that this is a critical element in Ottawa’s long-term future. Even if we started acquiring a right-of-way today—which is what we would like to recommend—it would probably be 20 to 25 years until the court cases involved in the land acquisition side were all resolved, and then it would likely take another 20 to 25 years to actually build the road. So even if we started tomorrow, it would probably be 40 to 50 years until a ring road in Ottawa was actually in place. We believe it’s critical to

our long-term economic success. Every major city in the world that has succeeded economically has an outer ring road.

In terms of underground, the city of Ottawa adopted an intensification policy in their 2003 official plan. In simple terms, this is intended to force growth up rather than out. The problem is that a lot of the underground infrastructure in Ottawa's city centre is obsolete and incapable of handling intensive redevelopment at higher densities. I appeared before Minister Chiarelli's infrastructure committee as it was travelling the province and I'm doing, really, the same thing here today, which is recommending that significant amounts of money are required to replace Ottawa's inner-city underground in order to ensure that its policy of intensification can, in fact, be implemented properly.

The last item, intellectual and economic stimulation: Up until the high-tech bubble burst in the early 2000s, Kanata was able to brag that it had more high-tech research and development than all other areas in Canada combined. Unfortunately, venture capital became increasingly more difficult to acquire, and the recent world economic recession has further hammered that sector. We believe that there's tremendous R&D horsepower there, intellectual horsepower, that could be redirected to other files, particularly the environment file and the energy file. Ottawa is unique in that it is the home of the federal government. We believe that the province could do joint ventures and investments with the federal government, with the city of Ottawa, to develop new technologies relating to both environment and energy. So we would strongly encourage the province to consider investing in Kanata North—the whole research and development engine of this area. If you wanted to invest in something other than the federal government in terms of employment and economic generators, that high-tech sector is the way to go.

So core infrastructure funding for roads and R&D, we believe, is really the top priority in this area.

In terms of HST, we were very pleased with the changes that the government made to the initial proposals as it related to housing. You probably know that the threshold was increased to \$400,000 now, but we believe that even at a \$400,000 threshold for new homes, it has a serious economic impact on the industry. Just to give you some idea now, in Ottawa, the average price of all new housing types is about \$365,000, and the average price of single-family dwellings alone is \$460,000. Due to land shortages and the consequent price increase that we've been seeing over the past decade, where single-family now represents only 40% of the total housing production, I think it's safe to say that at least 50% of all new homes in Ottawa already exceed the \$400,000 HST threshold.

On the renovation front, we have serious concerns that the cumulative 13% sales tax burden is really hammering the renovation industry. I know a lot of our members' businesses are down 40% to 50% since the HST was implemented, as homeowners have really flown to the underground economy in mass numbers.

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The residential renovation sector in Ottawa counts for about \$2.3 billion in investment and supports about another 23,000 people in the city, so it is a very significant economic generator as well. The Altus Group estimated that the underground renovation contracts represented about \$270 million in unreported economic activity just prior to the implementation of the HST, and we think that this number has probably grown very significantly since that time.

This isn't really a small matter that can be swept under the rug. Many illegitimate businesses are vacuuming up millions of dollars in the underground economy. The implications of this are profound, and I'll just note a few of them here. The health and safety standards of workers are not likely to be met in the underground economy. Warranties are generally non-existent. Consumers suffer, with little or no recourse in the event of shoddy or unsafe workmanship. All levels of government, of course, stand to lose billions of dollars in tax revenues, and this is one issue that should be of the greatest concern to the province and the federal government.

Lastly, the city of Ottawa police department is very busy because the renovation sector has become a prime target for fraud, particularly with respect to many of the elderly. There are a lot of scams going on now.

The way around that, we believe, is for both the provincial and the federal governments to introduce a permanent home renovation tax rebate for their portions of the sales tax. The rebates could go directly to consumers to encourage collection of receipts from legitimate businesses. This would in turn create a paper trail that governments and the Canada Revenue Agency could utilize to track down and catch those who are trying to cheat the system.

Mr. Chairman, that really concludes the comments that I wanted to make to you today. I'd be pleased to try to answer any questions that any members might have.

The Chair (Mr. Pat Hoy): Thank you. The questioning goes to the official opposition. Mr. Miller.

Mr. Norm Miller: Thank you very much, Mr. Herbert, for your presentation today. I guess I'll start with where you ended off, that being the renovation sector. You've said that the HST is hammering the residential renovation industry, and you talked a bit about the underground economy and that you think the solution is a tax credit rebate on home renovations. Maybe you could talk a bit about that and how that would help capture that underground economy.

Mr. John Herbert: Basically, as I mentioned in my concluding comments, what it would do is create a paper trail that Big Brother could follow, Big Brother being the provincial revenue collection agencies and the federal revenue collection agencies. Right now in the underground economy, there is no paper trail; it's all cash, hand to hand. So it's very difficult for government taxation agencies to track down the companies and the people involved.

Mr. Norm Miller: I assume there's an incentive for the homeowner to request it, because if there is this tax rebate, they would want to get the receipt so they can take advantage of the tax—

Mr. John Herbert: Exactly right. Our experience is that most people don't want to operate illegally—I'm referring to homeowners; they don't want to become involved in illegal activities. But the way it is now with the increase from basically 5% to 13%, if you're doing a \$30,000, \$40,000, \$50,000 renovation, that's a significant amount of money.

Mr. Norm Miller: I assume it would also—there's probably a 25% cash advantage if you take away things like WSIB payments, the CPP, EI and the HST. All of a sudden, there's a pretty significant incentive to go the other way, too, into the underground economy.

Mr. John Herbert: My members tell me that it's up to 40%, that because of the combination of those factors, people who operate in the underground economy have up to a 40% advantage. So in a \$50,000 contract, if you can undercut your competition by 40%, that is a very significant amount of money and it's enough to sway homebuyers to go that route; whereas, if there was a rebate, it may not necessarily cover that whole 40%, but in our opinion, it would cover enough of it that people would not enter the underground economy. They would be prepared to eat 5%, 10% to remain above—and do things legally.

Mr. Norm Miller: A very good suggestion.

The other thing I wanted to ask you about is the effect of HST on new home sales. You pointed out that the average new single dwelling in Ottawa was \$460,000. In my own area of Parry Sound, I was talking to one builder who is in kind of the more high-end area, because it's waterfront in Parry Sound. It's a subdivision that he's built. He more or less said that sales stopped with the introduction of the HST, because in the case of the homes that he's selling, it's a \$50,000 additional cost. So there was a bit of a rush leading up to it as people tried to beat it, but then the door shut, essentially.

Do you worry about, as prices increase, what it's going to mean to new home sales?

Mr. John Herbert: Yes, absolutely. That's why in my document I mention that we would really like to see and we think it would be helpful for the threshold to be increased to about \$525,000 from the current \$400,000. If that was done, even over time—it doesn't necessarily have to happen immediately, but if it was phased in over a period of, say, five years—that would really help to mitigate against that particular problem.

This has existed with the GST now for many, many years. When the GST was implemented, I don't know whether all the members of the committee realize that the federal government said they would index the GST, not to worry. But in fact they never did it, and so nothing has been done to assist the economic impact that that had over that long period of time. We believe that this could be done now with the HST.

Mr. Norm Miller: Lastly, you were talking about a need for underground infrastructure, especially in the inner city. I assume that's water, sewer; and maybe you could tell me what else it is. Has there been much investment? I would tend to think that the municipalities, when they get infrastructure money, tend to focus on the sexy projects, whether it be a new arena or recreational buildings, and not necessarily those things that people don't even see but are important to the economy.

Mr. John Herbert: Exactly right. This has historically been the model in Ottawa: to build visible social projects rather than hard underground projects that nobody ever sees. At least once every winter we hear that a sewer from the era of John A. Macdonald collapsed. That's to give you some idea of how old a lot of the infrastructure in the inner-city core of Ottawa really is.

They're demanding that we intensify, but the dollars involved in sewer and water underground systems are massive, and they simply cannot support the degree of intensification that the city is demanding.

Mr. Norm Miller: Thank you very much.

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

OTTAWA REAL ESTATE BOARD

The Chair (Mr. Pat Hoy): I'd ask the Ottawa Real Estate Board to come forward, please. Good morning. You have up to 10 minutes for your presentation. The questioning in this round will come from Mr. Tabuns of the NDP. If you'd just state your name before you begin.

Ms. Linda McCallum: My name is Linda McCallum. Good morning, and thank you for the opportunity to participate in this committee's consultations around the 2011 Ontario budget. My name, as I said, is Linda McCallum, and I am the chairman of the Ottawa Real Estate Board's government and community relations committee. Joining me today is Alison Larabie Chase; she is OREB's communications officer.

By way of background, the Ottawa Real Estate Board is one of the region's largest trade associations, with over 2,600 member real estate salespeople and brokers.

I would like to turn to our recommendations for the 2011 Ontario budget. They focus on three areas: personal real estate corporations, brownfield remediation and the creation of a marijuana grow operations registry. All are important to our industry and the real estate sector in Ontario. Each recommendation is fiscally prudent and has support from a variety of stakeholders.

To begin, OREB requests that the government of Ontario initiate the necessary legislative changes to the Real Estate and Business Brokers Act, 2002, or REBBA, to allow real estate salespeople to incorporate. At present, registered salespeople are prevented from incorporating by two facets of REBBA, 2002. First, REBBA, 2002, does not permit the licensing of personal corporations under the act. In addition, REBBA, 2002, does not permit a broker to pay commission to an unregistered entity. So while a salesperson could form a personal corporation,

they could not receive their commission through that corporation.

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OREB believes there are sound public policy reasons for permitting personal real estate corporations. First, allowing real estate salespeople to incorporate would give them the same business opportunities afforded to members of other regulated industries. Most regulated professionals, including chartered accountants, certified general accountants, lawyers, health professionals, social workers, veterinarians, architects and engineers, gained the ability to incorporate through the Business Corporations Act in 2001.

REBBA, 2002, did not come into force until 2006. As a result, when the Business Corporations Act was passed, it did not consider real estate salespeople in the professional incorporation provisions of that act. While other professions enjoy the benefits of incorporation, real estate salespeople are unfairly denied this important business tool.

Second, personal real estate corporations would help real estate salespeople cope with the introduction of the harmonized sales tax. While some businesses have benefited from the introduction of sales tax harmonization, real estate salespeople have not. This is because the majority of a salesperson's business inputs, including advertising, gasoline, car insurance, accounting fees, legal fees and home staging, were exempt from the provincial sales tax prior to July 1, 2010. As a result, the amount of additional input tax credits a realtor can claim is limited to a select number of expenses, making sales tax harmonization not overly beneficial.

As a professional trade association, OREB consistently supports high industry standards and strong levels of consumer protection. For this reason, our proposed method of implementing personal real estate corporations will not reduce consumer protection. Similar to other regulated industries, OREB's proposal would not permit salespeople to limit their professional liability through incorporation. Indeed, OREB maintains that personal real estate corporations should only allow salespeople to benefit from the tax considerations given to corporations.

Personal real estate corporations have been successfully implemented in British Columbia and are presently going through the implementation process in Quebec. We hope that both of these provinces will act as a model for Ontario as we progress toward the release of the 2011 budget.

Personal real estate corporations are an issue our association has worked on for over five years. To this end, our provincial association, the Ontario Real Estate Association, or OREA, as it is known, has engaged in consultations with both the Ministry of Consumer Services and the Ministry of Finance on how to achieve the necessary changes to allow our members to incorporate.

More recently, during OREA's political affairs conference, realtors, including OREB members, met with

over 80 MPPs to discuss this issue and to seek their support. We are happy to report that the overwhelming majority of MPPs and ministers expressed support for our proposal.

To sum up, allowing real estate salespeople the ability to incorporate is good public policy. It would give our profession the same rights given to most other regulated industries in the province of Ontario and end the current tax discrimination against real estate salespeople.

Our second recommendation for the 2011 Ontario budget focuses on brownfield remediation, with the goal of promoting more brownfield redevelopment, revitalizing communities and creating jobs.

Did you know that over 12,000 brownfield sites, representing hundreds of millions of dollars in property value and much more in economic potential, sit idle across the province of Ontario? A local example is the former Lees Avenue campus of Algonquin College, which now sits vacant.

Brownfields are typically older, contaminated industrial properties. Often, brownfields are assessed based on values of other industrial properties, resulting in property taxes that are significantly higher than other tax classes, despite the fact that most properties generate no income at all.

To redevelop these properties, owners must overcome tremendous financial and regulatory obstacles. This problem is further compounded by the lack of upfront government support for brownfield property remediation.

While municipal and provincial incentives for brownfield redevelopments exist, the funds are not available to the developer until redevelopment has been completed. Similarly, financing for remediation is also not available until the remediation process has been completed. This leaves brownfield owners the responsibility to fully fund redevelopment, despite the fact that it brings numerous benefits to communities.

OREB therefore recommends that the provincial government amend Ontario regulation 282/98 of the Assessment Act by adding a new tax class for brownfield properties that are under remediation. Brownfields that are classified as under remediation should pay tax rates at the same level as agricultural land or greenfields.

If adopted, our proposal would provide financial assistance to owners during the most expensive phase of redevelopment: remediation. More importantly, our proposal would act as an incentive to owners to begin that remediation process.

OREB recommends that brownfields be classified as under remediation if a phase 1 and phase 2 environmental site assessment has been conducted and the owner of the property can provide proof via a qualified person's validation that they are implementing a remedial strategy. If adopted, the Canadian Brownfields Network estimates that a typical brownfield owner in Ontario would save over \$200,000 annually in property taxes.

Lowering property taxes on brownfields will encourage more redevelopment, which has a number of benefits for municipalities, the province and Ontarians.

For example, brownfield redevelopment creates jobs, revitalizes communities, is in line with existing provincial policy, promotes infrastructure renewal, and expands both the municipal and provincial tax bases. Of particular importance is the expansion of the municipal and provincial tax bases.

Although a new assessment class and the corresponding lower tax rates would cost both the province and municipalities money in the short term, these funds would be more than recouped through higher neighbourhood property values and expanded assessment roles.

OREA has actively engaged a number of stakeholders on this issue, including the Municipal Property Assessment Corp., municipal brownfield coordinators and the Ministry of Municipal Affairs and Housing. In addition, when Ontario realtors met with MPPs during our political affairs conference on this proposal, the response was overwhelmingly positive.

We urge the government of Ontario to include this important policy proposal in its 2011 budget.

The Chair (Mr. Pat Hoy): You have about a half a minute left for your presentation.

Ms. Linda McCallum: Wow, okay. Sorry.

Our final recommendation is in regard to the grow op registry. Creating a registry for former marijuana grow operations using the land title system was captured by MPP Lisa MacLeod's private member's Bill 139, the Clandestine Drug Operation Prevention Act, 2010. OREB and OREA support Bill 139 and encourage the government of Ontario to use it as a template for proceeding with the creation of a province-wide registry.

The Chair (Mr. Pat Hoy): Thank you. We'll go to Mr. Tabuns of the NDP.

Mr. Peter Tabuns: Thank you very much for coming down and making this presentation today. Because you ran out of time there, I'd like a bit of an expansion on the grow op issue: what it would cost to set up the registry and precisely what benefit Ontario and individual homeowners would gain from that registry.

Ms. Linda McCallum: Okay. Right now, it's a very prevalent issue. Just two weeks ago, police discovered a grow op in a home not far from here in the town of South Mountain, where 2,850 marijuana plants with a street value of \$2.8 million were discovered.

Typically, when there is a grow op, the houses are left as what we would call sick houses: the black mould and the structural issues that come from that. The fact that in most of these cases they actually illegally tap into the hydro line and steal hydro from the grid—that's another facet of it all. But if I'm a homeowner and I've been renting a property for a long period of time, the process to go through remediation may seem daunting. In some cases, they just go in and do a cosmetic fix—

Mr. Peter Tabuns: Paint over the mould.

1110

Ms. Linda McCallum: They paint over everything and sell it, and the new owners don't even know about it until they've lived there six months and all of a sudden there's asthma and breathing and serious issues that they

have to have investigated, and they discover it was a grow op. The registry would actually put it on the Land Titles Act, and it would involve having the property inspected, having work orders put out. When the work orders were actually dealt with in the remediation process, those work orders would come off of land titles. It would only be visible to mortgage lawyers and real estate agents who contract to have access to Teranet. But it would give a three-stage approach to being able to do due diligence in order to make sure that some of these homes are actually remediated, not just whitewashed and put back out again.

It won't actually add, to the best of my knowledge, much in cost, because the province already has the relationship with Teranet; it's already under contract. We saw a presentation of this well over a year ago through Teranet. But the benefits certainly outweigh whatever minimal cost it could add to protect these families.

Every day, we come across homes that are suspected as grow ops. We call the police to find out. If there hasn't been a charge laid, they have nothing to share. We call the city to see if there have been any work orders; they tell us that they can't share that information with us. It's actually costing potential homeowners thousands of dollars more because they have to hire environmentalists, when there's a suspicion, to go in and see if there's any black mould or any of the other issues that often come with when they butcher these structures to create grow ops out of them. It's a really big problem, and the only way to stop it is to prevent them from being able to whitewash over that issue and make it a remediation, clean it up, put it on land titles so everybody knows.

Mr. Peter Tabuns: Do you have a sense of how many houses in Ontario every year?

Ms. Linda McCallum: I know that I was told by the Ottawa police force representatives that there are between 400 and 500 grow ops or clandestine labs working in the city of Ottawa at any given time.

Mr. Peter Tabuns: Alone? It gives me some sense of the scale of the problem. It's pretty large.

Ms. Linda McCallum: It's very large.

Mr. Peter Tabuns: And the brownfields: Do you have a calculation as to the cost of the forgone property taxes in that period that you're describing? I understand the logic of the argument you're making; I can follow that. What kind of cost would we be looking at initially for the cities and the province?

Ms. Linda McCallum: I know that we don't have those exact numbers. But we do know from the studies that have taken place that once that land has been redeveloped—and perhaps they'll put condominium units up on it now—between the added assessment rolls and the increase in value and then the rejuvenation of the immediate neighbourhood, I would assume that we wouldn't be too far off in guesstimating three to five years for recovery, and then added income straight after that. That's my guess; I don't have the stats to back it.

Mr. Peter Tabuns: Okay. I don't have further questions, but thank you.

Ms. Linda McCallum: Thank you very much.

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

IMPERIAL TOBACCO CANADA

The Chair (Mr. Pat Hoy): Now I'd ask Imperial Tobacco Canada to come forward, please. Good morning. As you might have gathered by now, you have up to 10 minutes for your presentation. The government will be asking the questions in this round. I'd just ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Penela Guy: My name is Penela Guy. I'm director for government and regulatory affairs at Imperial Tobacco Canada.

Mr. Mario Tombari: Mario Tombari, director of taxation, Imperial Tobacco Canada Ltd.

Ms. Penela Guy: Thank you for giving us the opportunity to speak to you today.

To begin with, I would like to say a few words about Imperial Tobacco Canada. Established in 1908, Imperial Tobacco Canada is Canada's leading tobacco company. Our head office is in Montreal, and we employ 650 employees across Canada.

First off, let me start by saying that we do recognize that there are serious health risks associated with the use of our products and we believe in conducting our business responsibly. We believe that kids should not have access to or consume tobacco products. We've always supported efforts to meet that goal.

That said, I am not here today to discuss the rights and wrongs of smoking, but to discuss an issue that is undermining all of Canada's tobacco control goals. It's an issue that affects us all. Many of you may not really care about the impact that it has on a company like Imperial Tobacco Canada, but it is a problem that affects families, that affects communities and that affects our country. It's an issue that is costing your government billions of dollars, is destroying small, family-run businesses, and is negatively affecting First Nations communities. That issue is contraband tobacco.

I appreciate that most of you do not smoke and may not support smoking, but the issue at hand is not about smoking; it's about public health, public safety and the public treasury. It's also a rare case of the tobacco control community and the tobacco industry being on the same page and demanding government action. As recently as yesterday, the Ontario Medical Association made the recommendation to implement a comprehensive contraband control strategy.

Legally, we comply with over 200 laws and regulations, and that's fine, as long as these regulations are fair, reasonable and apply to all. Unfortunately, this is not the case today. A massive illegal trade has established itself in Ontario and is operating completely outside the law.

We can't ignore this problem. Cheap, illegal cigarettes produced by criminal organizations are being sold in

transparent Ziploc bags. These baggies do not generate taxes and they do not comply with any laws or regulations. Making matters worse, the money being made out of the sale of these illegal cigarettes is used to fund other criminal activities.

Today, more than one in three cigarettes smoked in Ontario is illegal. That's a little bit better than two years ago, when the market made up nearly 50% of the total cigarette market, but it's still much higher than that of other provinces, and it's pretty much at par with what it was in 2006.

The impact of contraband tobacco on Ontario revenues has been devastating. In 2008, Ontario's Auditor General estimated that the province was losing \$500 million due to this illegal trade, and that was based on the 2006 levels, which were about half the peak established in 2008, meaning that in later years, annual tax losses were more likely in the \$1-billion range.

This gets into the potential unintended consequences of tobacco taxation policies. Although tobacco taxes in Ontario did not increase significantly between 2005 and 2008, the impact of excessive taxation between 2000 and 2005 has opened the door for the illegal trade.

According to Physicians for a Smoke-Free Canada in a report published in April 2010, the level of contraband in Ontario increased from 1% to 42% between 2005 and 2008. To put things in perspective, in 2008, Ontario's contraband rate was even higher than that of Nigeria, Zimbabwe, Brazil, Colombia and Paraguay. This booming illegal trade actually led to a drop in government tobacco tax revenues from 2006 to 2009, bringing revenues below those of 2003, despite the tax increases and despite the fact that smoking stayed roughly at the same rates.

Moreover, a recent Fraser Institute study affirmed the link between high taxes and contraband, and reported that the goals of increased tobacco taxes, which are generally reduced consumption and increased tax revenue, are negated when there is an illegal market. The Fraser Institute report found that high taxes "create powerful incentives to buy and sell contraband tobacco products." Simply put, higher tobacco taxes led to lower tax revenue as honest citizens switched to black market products. And really, why would anyone pay \$75 to \$100 for 200 legal cigarettes when you can have the same amount of illegal cigarettes for as little as \$15 or \$20?

1120

The Canada Revenue Agency also conducted research recently which found that low prices are the main reason why kids are smoking contraband tobacco products. There have been many studies on that issue, but recently the Centre for Addiction and Mental Health found that contraband tobacco accounts for 43% of all cigarettes consumed by Ontario high school daily smokers.

Committee members, Ontario has a choice: If you hold the line on tobacco taxes, you can at least avoid exacerbating the massive illicit trade problem in this province. Please remember that with the introduction of the HST, you already raised tobacco taxes by ap-

proximately 8% this past July, resulting in a \$6 increase on the price of a carton of 200 legal cigarettes. Basically, that means that for the price of this pack of 25 cigarettes, you can get 200 illegal ones.

Therefore, to assist you with your deliberations, we respectfully recommend the four following things.

First, no more tax increases on tobacco. The impact of tax increases on the illegal trade is clear. Any further increases are a gift to the illegal operators.

Second, Ontario should work with the federal government and the First Nations communities to find a long-term solution to this crisis. That crisis has two root causes: high taxes, which we've talked about, and the failure of the federal government to shut down the illegal operators.

The RCMP reports that there are 50 illegal cigarette factories and over 300 smoke shacks involved in this illegal trade. The federal government has been negligent in acting on its commitment to shut down the illegal factories. We understand the political sensitivities around this, but it should not be an excuse for inaction. Ontario needs to loudly demand federal government leadership.

Third, the Ontario government needs to get the public engaged. Since 2009, the federal government has announced not once, but twice, a public awareness campaign which still has not seen the light of day. Ontario should demand that the federal government move forward or consider filling that void.

Finally, we invite the Ontario government to follow Quebec politicians' lead and be publicly outspoken on the seriousness of the contraband problem and the need to address it.

In closing, let me praise the law enforcement officers who are doing what they can to fight illicit trade, but their efforts are constrained by legislative frameworks and political sensitivities that are preventing more decisive action to arrest people involved in the illegal trade. You should also note that even with increases in the size and number of seizures, the RCMP readily admit that they are only capturing 2% of the tobacco being smuggled in this province every day.

It should be obvious that enforcement alone is not going to solve Ontario's illegal tobacco crisis. The measures proposed here will help, but ultimately Ontario, the federal government and the First Nations communities have to find a long-term solution.

Thank you for giving me the opportunity to speak to you, and I look forward to your questions.

The Chair (Mr. Pat Hoy): Thank you, and the questioning goes to the government in this round. Ms. Pendergast?

Ms. Leeanna Pendergast: Thank you both for being here and thank you for your presentation this morning. I have just a couple of points of clarification, and then I'm going to move to your three recommendations at the end of the presentation.

You started out by saying that children should not smoke. I thank you for that as a mom of three teenage boys, an educator of 25 years of high school students and

a principal in a high school. That was my life: those baggies and underage children who were smoking. So, thank you.

I wanted to talk about, just for a point of clarification and for my own edification: You said, "We comply with over 200 laws and regulations as long as these regulations are fair" and reasonable. Now, there's an English teacher in me that says you comply with it "as long as"—because then I went to page 7 in the information you provided: "In 2008, Imperial Tobacco Canada ... were convicted of violating the Excise Tax Act"—blah blah blah. So I just want some clarification here.

Ms. Penela Guy: We comply with all laws and regulations. We abide by all of them; let me be clear. It may have been a language issue—I'm francophone—so it's definitely not what I meant.

In terms of the pleading guilty to a regulatory offence under the Excise Act, that was in fact in 2008. It was with regard to the contraband issue back in the 1990s, which is a very different problem than what it is today, because today the problem is about illegal cigarettes being sold in transparent Ziploc bags and manufactured by groups that are linked to organized crime.

Ms. Leeanna Pendergast: Thank you. One more point of clarification, if you don't mind: On page 3 of your report you're saying, "The impact of tax increases on the illegal trade is clear," and you cited the Fraser report. Again, on page 9 of the information that you gave us, figure 3, the chart shows that, "There is no consistent relationship between tax rates and levels of contraband sales."

Ms. Penela Guy: No, it's been demonstrated that high taxes have created a market for contraband tobacco.

Ms. Leeanna Pendergast: So this is one of those, whether you look at the Fraser report or whether you look at this information that you've given us—it seems to be a debate? I mean, this is in the package you gave us, page 9. There may be nothing to say to it at this point, but—

Mr. Mario Tombari: Can I just expand?

Ms. Leeanna Pendergast: Please.

Mr. Mario Tombari: With the federal and provincial rollbacks in 1994, contraband disappeared almost overnight, so I think history would dictate that there is a direct correlation.

Ms. Leeanna Pendergast: I guess we'll have to continue that discussion, because these are Canada, April 2008.

Ms. Penela Guy: Sorry, can you please just tell me—

Ms. Leeanna Pendergast: This is on page 9 of "Estimates of contraband tobacco sales in Canada, 2008."

Ms. Penela Guy: In the Physicians for a Smoke-Free Canada—

Ms. Leeanna Pendergast: That's something we can go back to after. The Chair's going to cut me off and I'm not going to get to ask my questions, so we can talk about it after. He's very, very particular.

Three things you talk about: That was the first, the correlation between increased taxes and contraband. The

failure of the federal government to shut down illegal operations—I want to assure you that several ministries in the Ontario government—the Ministry of Community Safety and Correctional Services, the Ministry of Aboriginal Affairs, our Ministry of Health Promotion and Sport—are all working together and are committed to this, absolutely. Perhaps I should have started with that.

You say that the federal government has failed to shut down illegal operations. Then you say that their 2009—the public awareness campaigns have yet to see the light of day. Can you talk more about that, please, and perhaps if there is or was a role for Imperial Tobacco in that public engagement piece?

Ms. Penela Guy: The federal government announced in 2008, in its strategy to fight contraband tobacco—it was actually an RCMP report. One of the things that they had identified as being really important in having an impact on the contraband issue was to shut down the illegal factories. In the status report two years later, the RCMP admitted to not shutting down one single illegal factory. That's to your first point.

The public awareness campaign was first announced by the then revenue minister, Minister Blackburn, in April 2009. Then it was announced a second time in May 2010. What we're being told now is that, somehow, this campaign should come this year, but it remains that it's been almost two years in the making and we haven't seen anything come out yet.

Ms. Leeanna Pendergast: At all? Nothing?

Ms. Penela Guy: No.

Ms. Leeanna Pendergast: Is there a role for Imperial Tobacco Canada? Have they talked to you about a role for you to play in that public awareness campaign?

Ms. Penela Guy: No.

Ms. Leeanna Pendergast: Okay. I guess my final point, before the Chair—look.

The Chair (Mr. Pat Hoy): Quickly.

Ms. Leeanna Pendergast: He's getting his microphone going.

Thank you for your final comments that it needs to be a long-term solution with Ontario, the federal government and Canada's First Nations working together. Thank you for that. Thank you for your presentation and your time today.

The Chair (Mr. Pat Hoy): If there is any other information you'd like to provide the committee in light of the questioning here today, you can provide it to the clerk and then we would all share in that information.

Ms. Penela Guy: Very good. We'll do that. Thank you.

The Chair (Mr. Pat Hoy): All right. Very good. Thank you.

ONTARIO SCHOOL BUS ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario School Bus Association to come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There could be up to five minutes of ques-

tioning. In this case, it'll come from the official opposition. I just ask you to state your names for our recording Hansard. You can start.

1130

Mr. Gord Taylor: Gord Taylor, president of the Ontario School Bus Association.

Mr. Doug Herd: Doug Herd, vice-president of the Ontario School Bus Association.

Mr. Rick Donaldson: Rick Donaldson, executive director of the OSBA.

The Chair (Mr. Pat Hoy): Go ahead.

Mr. Gord Taylor: Thank you. Good morning, Mr. Chair, and through you to the committee as well. Good morning, all.

My name is Gord Taylor. As I mentioned, I am the president of the Ontario School Bus Association. I'm joined by Doug Herd and Rick Donaldson, who have just introduced themselves. Let me begin by saying thank you for the opportunity to present this morning.

I'd like to talk to you about three issues that are key and facing our industry in Ontario today. The first is the link between school bus ride times and student success and achievement; the second is about the provincial procurement reform that's under way currently; and thirdly, the wage that Ontario school bus drivers are paid in the province.

Let me begin with school bus ride times, as we call them in the industry, and their impact on student passengers. There have been a number of studies examining the impact of long school bus rides on student test scores. A long-standing study found that if a student spends more than an hour on a bus, there is a reduction in that student's achievement in standardized test scores. For every hour over one hour, scores decline by 2% for grades 4 to 8 students, and 1% for those in grade 11. This trend was confirmed in a recent study that found that very long school bus rides are correlated with lower test scores. A third study, which we reference, found that very long rides reduced students' sleep times, recreational times, academic attentiveness and their ability to participate in extracurricular activities. School bus operators in Ontario, whom we represent, want to play a role in diminishing the negative impact of very long ride times on student success and work with the government on this.

Let me move on now to procurement reform. While school bus operators want to play a role in getting a new system up and running, smoothly and efficiently, for school boards, students and parents, the very short timelines that are being instituted by some school boards in Ontario are putting that at risk.

A number of district school boards have released their requests for proposals for transportation as if they were auctions. As well, some coterminous and neighbouring boards have released their requests for proposal at the same time, without coordination, taxing the already overburdened resources of school bus contract operators who are still growing accustomed to the new procurement system. We are asking the Ministry of Education

and district school boards to work with us to get it right, not get it fast, as we move into this new procurement reality.

Finally, I want to talk to you about our school bus drivers, the most important people in our industry, who transport 800,000 students daily in Ontario. As the minimum wage increases in the province and the regulatory demands on drivers rise, it becomes harder and harder for drivers to justify their job to themselves, except for their interest in the well-being of students. But the move to procurement reform is continuing to put downward pressure on drivers' wages at a time when we need to retain and attract new and quality people to the industry. By annually addressing drivers' wages, contract operators in Ontario can keep sufficient experienced drivers on the road and ensure that Ontario students arrive safely at their schools every day, ready to achieve.

In summary, we are calling on the government to do three things: First, support further Ontario-based research on the link between long bus rides and student achievement, and protect Ontario's students from excessive bus ride times. Second, we are calling on the government to, at the very least, maintain the student transportation funding allocation to ensure that, in the meantime, long school bus rides don't impact student achievement negatively. And third, to require boards of education to stick to a timetable on transitioning to procurement reform so that school bus contractors can be well trained and well prepared and we can moderate downward pressure on driver wages at this critical time.

Thank you, Mr. Chair, and thank you to the members of the committee.

The Chair (Mr. Pat Hoy): Thank you. Do you have any additional comments? Well, maybe we'll find out during the questioning, which will go to the official opposition, to Mr. Miller.

Mr. Norm Miller: Thank you very much for your presentation today. I guess my first question would be about school bus ride times. Is the trend toward longer ride times over the last number of years?

Mr. Gord Taylor: Absolutely. The average ride time has probably moved—I'm going to ask my panellists to support me on this—threefold over the time that I've been in the school bus business.

Mr. Norm Miller: So in minutes or however you measure it, from what to what, then, would you say?

Mr. Gord Taylor: If they support my threefold assertion, it would be from 20 minutes to an hour, that kind of trend.

Mr. Norm Miller: And is that because smaller, rural schools are closing, so that kids have to be transported to schools further away? I'm just guessing, but you can tell me—

Mr. Gord Taylor: It does have to do with the dispersion of the student population. That has changed over that period of time, but also in efforts to be more efficient, longer bus rides mean cheaper per-student transportation.

Mr. Norm Miller: And your studies show the hour-long rides do have a negative effect on the achievement of the students?

Mr. Gord Taylor: That is correct.

Mr. Norm Miller: Okay, thank you for that.

Now, in terms of the new procurement system, my question would be really about the effects of the new procurement system, especially on the long-time small operators. In my area, which is served by lots of operators like Hammond and many scattered around Parry Sound–Muskoka, some of them have two or three buses and have been around a long time. Are they being cut out of the pie, I guess, and maybe not intentionally, through this new procurement system? Is it resulting in the small operators losing the routes and closing down?

Mr. Gord Taylor: I should probably declare a conflict of interest. I'll let one of my other panellists—I do have an opinion on it, but in fairness, I'll pass that off.

Mr. Norm Miller: Okay.

Mr. Doug Herd: I'm not sure how to answer that question exactly. There have been pilot projects that have been put in place across the province. We have seen the elimination of a number of small operators and we have seen the loss of routes by some of the larger operators as well.

The challenges going forward would be to ensure that there is no discrimination against one or the other, but I guess the topic at issue is the bundling of the routes and the number of runs that are involved in the procurement. So I'm not sure. If you could rephrase the question a little bit. I am a smaller local operator.

Mr. Norm Miller: When I met with operators in my area when this was coming in—I'm not sure of the exact stage of where we are in the process; you can maybe tell me a bit more about that. Their concern, especially the very small operators, was that the big companies would have the system figured out and know how to go through the process and fill the forms out and have staff dedicated to that, whereas the small businesses are driving the buses and running their companies and wouldn't be as good at the process, so they'd up losing the routes they'd held for a long time. That wouldn't necessarily be a benefit to the students or the system, and this could lead to a few larger, multinational companies owning the whole system in Ontario, at which point the price could come up because they wouldn't have competition.

Mr. Doug Herd: I guess the answer is "correct," in regard to the fact that some of the larger companies that may operate in a number of different districts would have more chances to get it right, so to speak, whereas a small operator who may only operate in one particular area or district, if they don't get everything right in the first presentation or the first kick at the can, they will cease to exist, so to speak.

Historically, we worked as a partnership with the school boards as associations coming up with standards and expectations between the operators and the school boards. Now, when it comes to competitive procurement,

those partnerships and ties that we share with other operators in the area may cease to exist.

Mr. Norm Miller: So, in other words, really make—where you've got two different companies working together collaboratively, it's more difficult to do that under the new rules because you're kind of bidding against them.

Mr. Doug Herd: It's a lot harder to share best practices given we're competing against the guy beside us; that's correct.

Mr. Norm Miller: And otherwise, you were concerned with the speed at which it's coming in? I didn't quite follow that—the new rules that are coming in.

Mr. Gord Taylor: Because it is a learning process for all of the members of the Ontario School Bus Association, our assertion has been that we want to take—I know that the procurement guidelines need to be in place by 2013, but we want to use all of that time to slowly have school boards across the province come to the marketplace so that our membership can learn the intricacies of competitive procurement. It's a time and learning notion for our members.

For the committee, the way in which we arrived at price for school bus contracting in the province prior to this procurement reform was one where local school boards negotiated the rate with a local group of contract operators. So it was quite a different model.

Mr. Norm Miller: And on that, did you think it was a pretty efficient system in terms of getting good value for the taxpayers? I know you're in a biased position to say that, but the old system—did you think it was working and was efficient?

Mr. Gord Taylor: I think it absolutely worked, was absolutely efficient, but didn't meet procurement guidelines.

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

For the committee, our next two presenters have cancelled, so we will recess until 1 o'clock.

The committee recessed from 1140 to 1259.

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will come to order for this afternoon's session.

ONTARIO AGENCIES SUPPORTING INDIVIDUALS WITH SPECIAL NEEDS

The Chair (Mr. Pat Hoy): I would ask Ontario Agencies Supporting Individuals with Special Needs to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. In this case, the questions will be asked by Mr. Tabuns of the NDP. If you'd just state your names for our recording Hansard, you can start.

Mr. David Ferguson: Dave Ferguson.

Ms. Bonnie Dinning: Bonnie Dinning.

Mr. David Ferguson: Good afternoon. As just stated, my name is Dave Ferguson. I'm the executive director of

Ottawa-Carleton Association for Persons with Developmental Disabilities and the chair of the OASIS labour relations committee.

OASIS, Ontario Agencies Supporting Individuals with Special Needs, welcomes this opportunity to participate in the pre-budget consultations in support of its written submission.

OASIS understands the fiscal constraints that the government of Ontario is facing during this economic period. OASIS continues to strongly support the initiative of the Minister of Community and Social Services to develop a new longer-term vision for the developmental services sector. OASIS shares the minister's goal of ensuring that the transformation of services in Ontario for people who have a developmental disability results in a high-quality service system that is equitable, flexible and sustainable, and is designed to meet the lifelong needs of Ontario citizens with developmental disabilities.

OASIS emphasizes the importance of ensuring the maintenance of a strong, responsive and stable non-profit transfer payment agency system both as the province's primary service delivery mechanism and as the backup for the initiation of funding directly to individuals and families under the transformed system.

OASIS is a province-wide association of TP agencies that seeks to ensure cost-effective, high-quality supports and services for people with developmental disabilities, and to facilitate and strengthen the operation of its members. OASIS is an entirely voluntary association; it has no staff or office. All work is performed by individuals and committees on a voluntary basis using the Internet to communicate to members on such matters as best practices in financial management, program and service initiatives, human resources and labour/management relations, and governmental regulations and initiatives.

Founded by six non-profit agencies in 1996, OASIS' membership has grown to 153 transfer payment agencies located in all regions and communities of Ontario. OASIS member agencies provide services to approximately 35,000 individuals with developmental disabilities, employ 25,000 full-time, part-time and casual staff, and receive approximately \$1 billion in operating funding from the government. In addition, all agencies raise significant funds from their communities to augment their operations.

Such agencies constitute the primary vehicle for delivering government-regulated supports and services to people with developmental disabilities, notably in the form of residential care via group homes, supervised residences or approved family homes; supported independent living programs; day programs; and supported employment programs leading to independent employment in the community.

Pay equity: As you know, OASIS members are governed by many pieces of legislation, including pay equity. Most agencies which were required to use the proxy comparison method of pay equity have not yet achieved pay equity and are still many years away from achieving this target. Each year, agencies that have not

met their pay equity target rates are required to commit a minimum of 1% of the previous year's payroll for pay equity wage increases. This year, with the 2% increase previously committed by the government of Ontario not being flowed, agencies are faced with millions of dollars of liability without the ability to meet the legislative requirement. This has put agencies and their boards of directors in a difficult position. They can either reduce staffing levels and supports in order to meet their financial obligations or decide to be in violation of the pay equity legislation and not in compliance with the new regulations by not paying the pay equity increases in order to maintain support needs. Without government funding, agencies will be faced with this dilemma for many years to come, which will only add to service pressures and wait-lists.

The position of OASIS is that this is wrong. People with developmental disabilities should not be negatively impacted by this situation.

Bonnie?

Ms. Bonnie Dinning: Thank you for the opportunity to speak to you today. I'm a parent of a son supported by the Ottawa-Carleton Association for Persons with Developmental Disabilities, known as OCAPDD, and a board member of OASIS, OCAPDD and United Families of Eastern Ontario. Today, I wish to speak to you about the current challenges encountered by agencies, families, and individuals with developmental disabilities.

Supporting people with developmental disabilities within communities is becoming more challenging. An aging population and an increasing number of individuals with complex needs are escalating demands for services. At the same time, and despite efforts to transform Ontario's developmental services sector, a lack of adequate funding is preventing implementation of the transformation plan in a way that can improve services and supports.

Service providers have reached their limit in terms of their ability to respond effectively. Current challenges include:

- residential supports being unavailable for individuals whose parents have become too old to care for them;

- individuals with high needs waiting several years for day and residential programs, placing ongoing stress on families and caregivers;

- aging individuals and those with multiple disabilities requiring more sophisticated and varied supports beyond the level currently available—and this requires significantly more staff training than can currently be provided;

- increasing costs of real estate, construction, and the need to meet local fire and building code regulations; and

- increasing costs of staffing, especially benefits and training, including the mandatory requirements under regulation 299/10 of the new social inclusion act for persons with developmental disabilities.

The result is growing waiting lists due to the number of young people with a developmental disability leaving

school, and older ones living with aging parents. Those who have less school will wait years for access to day activities, while older individuals are often only housed and supported upon the death of their parents. The anguish of an individual who can't comprehend the death of their caregiver and then must bear the trauma of suddenly losing what they call home is hard to imagine.

Many families and individuals in our communities are without the support they require. Often, the ministry is required to make difficult choices when faced with numerous needs and limited resources. This results in unaddressed needs for families and individuals who require intensive supports such as group living, while transitional-aged youth or individuals who moved out of the facilities are given priority. Similarly, individuals are now being moved out of dual-diagnosis wards from mental health facilities and bypassing those on waiting lists in the community. Families in every community across the province have waited for many years for services for their loved ones, only to see others accessing services before they do. I placed my son on a waiting list for housing over 15 years ago. He would still be waiting if we had not used our life savings to recently house him, pay for utilities and subsidize his food budget.

Services and supports need to reach a broader range of people, encourage and allow new initiatives to be launched, and ensure the long-term financial and support stability of the sector. This must include the opportunity for longer-term budgeting and financial planning, especially the creation of reserves by agencies.

OASIS, of which OCAPDD is a member, and families were encouraged by the announcement in the 2010 Ontario budget to provide \$36 million for critical support and services for people in urgent need. However, the waiting lists continue to grow. In accordance with the foundational goals of transformation—equitable, accessible and sustainable—we urge the government to continue to respond with developmental services expansion initiatives so as to stem the tide of ever-increasing wait-lists and growing frustration.

I would also like to take this opportunity to endorse the honourable Toby Barrett's private member's bill, Bill 23, An Act to amend the Ontario Disability Support Program Act, 1997 and the Taxation Act, 2007. Individuals in receipt of Ontario disability support payments are living below the poverty line, and in many cases financial assistance is required through family assistance to meet their basic needs, such as rent and food.

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The current system reduces the amount of income support that a person is eligible to receive by 50% of the person's other earned monthly income. The proposed legislation will lower that reduction so that a person can retain a maximum of \$700 of other income monthly, or a maximum of \$1,000 of other monthly income if there is a spouse included in the individual's benefit unit. This change would mean that individuals could have an additional \$350 per month available to them to cover living expenses and enhance their quality of life. It would

be an added incentive to find meaningful paid employment by those capable of doing so.

We also endorse the bill's amendment to increase the asset limit to \$12,000 individually in determining whether a person is eligible for income support. We would encourage the standing committee to recommend the passage of this important bill.

Mr. David Ferguson: Further recommendations. OASIS respectfully requests that the following be included in the committee's final report:

That the Minister of Finance, at a minimum, makes an investment of an additional 2% on current base budgets to allow agencies to meet their pay equity obligations;

That the budget for the DS sector would be increased by \$60 million, for the following purposes:

—to assist people without services;

—to stabilize and rebuild current service infrastructure;

—to increase funding for individuals through programs such as Passport; and

—to support new opportunities for innovation by building on the ingenuity of families, friends and community, as Bonnie has identified.

Again, we would further support the endorsement and passage of Bill 23.

Finally, we would ask or suggest that there be a recommendation that transfer payment agencies have four-year rolling budgets of their own, with accountability measures, for the purposes of establishing reserves to fund capital items and major repairs and to develop innovative, cost-effective programs in a planned manner.

Again, we certainly appreciate this opportunity to speak to the committee.

The Chair (Mr. Pat Hoy): Thank you. Now we'll go to Mr. Tabuns of the NDP.

Mr. Peter Tabuns: Thank you both for coming in and making this presentation today. If the requests that you have made are not actually met, what will it mean for the agencies that you represent and the people who are served by those agencies?

Mr. David Ferguson: Well, if the pay equity obligations are not met, then technically the boards of directors are in violation of the law. We're faced with looking at what kind of FT equivalent would need to be reduced in order to meet those obligations. Province-wide, those are multi-million-dollar obligations, and again, we would seek that province-wide as opposed to just specific to us.

We certainly understand that pay equity legislation is not going to be rescinded, but we see it as a government support and endorsement to continue to meet those obligations, as we have no other opportunities to raise funds for that kind of obligation.

Mr. Peter Tabuns: You have a fear that you'll have boards of directors who may resign if they feel that they will be stuck with the legal liability?

Mr. David Ferguson: Absolutely. It's a challenge already to find enough community-minded individuals to volunteer on boards, let alone if they walk in and find out

that they're going to be violating the law, technically or potentially, right away.

Mr. Peter Tabuns: And the increases that you're suggesting: If they are not provided, what will that mean for those who use your services or would like to use your services?

Ms. Bonnie Dinning: Maybe I could respond to that one. That would mean that a vast majority would remain sitting in front of TVs on their families' couches until a crisis occurs in their family, such as the death of the parents, at which point those individuals would be placed, perhaps, in inappropriate housing just because it was the only housing available.

I would also mention that in my private life I've worked as a consultant in the area of homelessness and was asked by the city of Ottawa a few years ago to do a study on individuals with developmental disabilities accessing services for the homeless. So there is documentation now that individuals with developmental disabilities are actually using the services meant for those who are homeless, because there's nothing available for them.

Mr. Peter Tabuns: I think you've made the human and organizational costs fairly clear. I don't have further questions, Mr. Chair. Thank you.

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

OTTAWA POVERTY REDUCTION NETWORK

The Chair (Mr. Pat Hoy): Now I would ask the Ottawa Poverty Reduction Network to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that, and it will come from the government in that case. If you'd just state your names for our recording Hansard, you can begin.

Ms. Linda Lalonde: Yes, I'm Linda Lalonde and this is Nadia Willard, and we're the co-chairs of the network.

The Chair (Mr. Pat Hoy): Go ahead.

Ms. Linda Lalonde: Thanks very much for having us back again. We love these annual meetings with you folks. I must apologize. I've been quite sick and wasn't able to put together and get printed up in time the brief that we're going to submit, but we will be sending it in later.

We'd like to first of all start out by giving you some kudos. We were in Kingston last year and asked you to support a recreation fee rebate. We asked for the whole family and you gave it to children. We also are very impressed with the Healthy Smiles Ontario program which has just been implemented for kids up to 17 in low-income families. We would like both of those programs to have other family members from families whose income is under the low-income cut-off added in an incremental way over the next few years.

When we come to you, we always talk about housing, partly because it never goes away. Let's build some. We

would like to have added to the long-term housing strategy a component that sees the building of actual roofs, walls and floors. We understand that there is a 10-year infrastructure program coming up through the government, and it needs to have housing as a separate line item. There are two reasons for that. The first is that it's guaranteed, and the second is that it gives your municipal partners some future planning ability. It also tells your municipal partners that the message from the province is that this money is to be used for housing; if it comes as part of the municipal allocation in that infrastructure thing, we may have some lovely roads and sewers but we may not have many new houses.

We would like to see that 10-year program split 50-50 between new construction and maintenance of existing buildings, because we know that there is a desperate situation. This is right across the province, but it's very serious here in Ottawa with the housing that was kindly donated to us by the provincial government a number of years ago, which is in a terrible, and in some cases virtually unlivable, condition.

On the housing theme, we would also like to ask you to please not wait for the feds. If in fact the allocation is going to be one third, one third, one third—federal, provincial and municipal—if there are 100 houses to be built and the feds don't come to the table, can we at least build $66\frac{2}{3}$ houses? If you're going to wait for the feds, you may be here a long time.

We would also like to see supportive housing in the housing envelope: supportive housing and accessible housing to be funded on a ratio that's proportionate to the percentage of the population that is in those two categories. For the first five years there's a serious catch-up issue there, and so for the first five years, we would like them to get—if their percentage of the population is X, they would get 2X of the new housing.

We would also like to see money coming forward for enforcement of property standards. This is a very serious issue, particularly in low-income housing and particularly in rooming house situations. Also, that the province develop and provide to the municipalities the ability to ask for, in their official plans, inclusionary zoning—you could also change that word so it's easier to say.

In the income area, we would like to see the continuance of the annual increases to the minimum wage until it equals the LICO—the low-income cut-off—number for a single person in Ontario. Then, from there forward, we would like to have it tied to the cost of living so that we don't have to go through a whole lot of conversation and discussion. Obviously, the increase is intended to help people meet the increasing costs that they encounter because of inflation. So if there is a straight connection to the inflation numbers, you've got an automatic increase.

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Additionally, we would like to see social assistance rates increased by the cost of living plus 1% until they reach LICO for the family size, and then tie the annual increases to the cost of living.

We'd like to recognize the work of Toby Barrett with the ODSP legislation that he has put forward. We endorse Bill 23 and would like to see it extended to cover both OW and ODSP.

We would like to see a pharmacare program that would extend the existing Ontario drug benefit provisions so that seniors—as we all know, people are retiring earlier. There are many people who are in that early seniors group of 55 to 65 who are gearing down, only able to work part-time jobs etc., and we would like to see the seniors' drug benefit plan extended to cover people 55 and up who fall under LICO.

We would also like to see the Ontario drug benefit coverage that now exists for people who are on social assistance extended to the working poor, and that it start this year with children who are in families whose income is under the low-income cut-off. And in the future, it would be expanded incrementally, year by year, to cover single parents, then couples, then singles who are living in low-income situations.

Thank you very much. That's our presentation for today.

The Chair (Mr. Pat Hoy): Thank you. As I said, the questioning goes to the government. Ms. Pendergast.

Ms. Leeanna Pendergast: Thank you, Linda and Nadia, for being here. Thank you for all the work that you do on behalf of the Ottawa Poverty Reduction Network.

We've heard from groups across the province, including Put Food in the Budget this morning, and we're hearing very clearly a lot of things. Of course, these are pre-budget hearings, so we're talking costs and dollars. I just want to run by you some of the things that we've heard fairly consistently and maybe get your feedback. I took notes on your presentation. Some of it was very detailed, so I look forward to your submission. I couldn't take it all in.

This morning, we heard about a \$100-per-month, per-adult increase to social assistance.

We heard in Thunder Bay, from Poverty Free Thunder Bay, about an outreach strategy. If you could comment, maybe, on a concerted outreach strategy. Is that something that you're working on or thought about or working in collaboration with anyone else on?

We heard from the 25 in 5: Network for Poverty Reduction about a specific strategy for inordinately poor communities across the province. Is that something that you've discussed?

In Windsor, we heard from Voices Against Poverty about a healthy food supplement of \$100. That \$100 seems to be a consistent number. And we heard the same thing in London with the social action committee.

If you could just comment on those things, it helps us get a perspective of what the needs are here in the east and in Ottawa.

Ms. Linda Lalonde: I'm not sure what the outreach strategies are that you're asking about.

Ms. Leeanna Pendergast: And I couldn't give you particular details either. They were talking about working

in collaboration with other community partners to develop an outreach strategy.

Ms. Linda Lalonde: The reason we ran in at the last minute with our sandwiches in our hands is because we spent the morning—we are members of the city of Ottawa's poverty reduction strategy steering committee. The city, at the request of the OPRN, has developed a poverty reduction strategy which has been in place for about a year or a year and a half or so now. Actually, it was passed on International Human Rights Day a couple of years ago, which we know was the total intention of council.

One of the aspects that we're working on—and I don't know if this would be the same one. One of the things that we identified is the need to educate the broader community. One of the OPRN's underlying principles is that poverty is not a poor people's issue. It's not a social service issue. It is a complete community issue. If I live in Rockcliffe Park, which I don't, and you live in a shelter downtown, your shelter is an issue for me, because guess who's paying for it?

We know that the amount of keeping a person in a shelter bed is thrown out as being \$1,200 to \$1,500 a month. Well, it's actually more like \$100,000 a year—and we have a study done in Ottawa that that's the number—by the time you add in police services, hospitalization, ambulances and psychiatric care.

One of the things that we have in the municipal strategy is to develop and outfit an education plan to go out to the rest of the community and explain to them what poverty is, what it means. We know that poverty is much deeper; it's a different kind of poverty than you would have had, say, 20 years ago. So it implicates a family in a very different way.

The other thing is that because of the increase in levels of poverty and depth of poverty, there's a much greater strain on community agencies. They're having to, in some cases, ration services; they're having to close waiting lists—there are agencies in town that have waiting lists that are now two years long and they just close them and say, "We won't even put you on the list," because it's not a fair thing to do to an individual.

From my own experience, when I go out and speak to service clubs and so on and I say to people, "How much do you spend personally on discretionary eating in a month"—which counts restaurants, coffee shops, whatever—"and do you spend more than \$200?" They sort of look at me like, "Get real. Of course we do." Then I say to them, "Well, if you were on social assistance in this community, that's what you would have for everything other than the roof above your head, including having to get resumés printed, having to get to job interviews, getting your hair cut, keeping your clothes clean. Oh, and if you have any change left over, you can buy some food."

We need people to understand why they need to commit—in our case, in a municipal-wide way—to solving this issue. That's the outreach thing that we're working on in this community.

Ms. Leeanna Pendergast: Thank you. That was an excellent answer—comprehensive and very helpful. So it's more than just at the community agencies; it's that whole social infrastructure—

The Chair (Mr. Pat Hoy): Our time has expired. Thank you for the presentation.

Ms. Linda Lalonde: Thank you.

FEDERATION OF ONTARIO PUBLIC LIBRARIES

The Chair (Mr. Pat Hoy): Now I would ask the Federation of Ontario Public Libraries to come forward, please. Good afternoon. As you've heard, you have up to 10 minutes for your presentation. In this case, the official opposition will be asking questions, should they have any. I would just ask you to identify yourself for our recording Hansard.

Mr. Jim Bennett: My name is Jim Bennett.

The Chair (Mr. Pat Hoy): Go ahead.

Mr. Jim Bennett: I am chair of the Federation of Ontario Public Libraries and also a trustee on the Ottawa Public Library board.

The Federation of Ontario Public Libraries is a not-for-profit membership association established in 2005 to provide a single strong voice for public libraries in Ontario to enhance library policies and programs. The federation's over 200 member libraries are responsible for serving 78% of Ontario's population.

I am here today to explain (1) what Ontario public libraries do to help families, increase employment, and improve community services to assist the government in eliminating the deficit; and (2) what the provincial government can do to utilize more fully their Ontario public library assets by increasing the provincial operating grant to Ontario public libraries.

Public libraries support provincial priorities. Public libraries exist so that the people of Ontario can enrich their personal, professional and civic lives through equal access to information, resources and ideas in trusted, multilingual, physical and virtual settings that serve as community gathering places.

Most people are familiar with the public library's traditional services, such as freely loaning materials in various formats; assisting users find relevant information; serving as a reference centre on a wide range of subjects; and connecting users virtually to a world of databases. Less commonly known is that public libraries also provide an array of free specialized niche programming that supports provincial priorities.

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In economic development, Ontario public libraries are small business incubators, supporting fledgling entrepreneurs, the drivers of local economic recovery and job creation, by providing them with free resources such as e-databases on market trends and information on regulatory obligations.

In employment, Ontario public libraries provide free niche-specialized services and resources for career planning, job search and upgrading skills.

In integration of new Canadians, Ontario public libraries provide free services helping newcomers to Canada succeed through settlement support, language acquisition—which includes ESL programs, accreditation and employment support—while reinforcing community cultural connections.

In literacy development, Ontario public libraries facilitate success in the school system through the delivery of free pre-school and children's literacy programs, and provide access to vast free materials and expertise to support the education of children ages birth to 18, as well as adults.

In efficient government services, Ontario public libraries serve as the first point of contact for free information and referral on community and government programs.

Ontario public libraries are hubs in our communities and are often the only public space where residents can gather freely and dialogue and thus contribute to a healthy, educated and informed citizenry.

In a nutshell, public libraries are transforming communities for the information age, and in doing so, are supporting Ontario's economic recovery. During this latest recessionary period, public libraries played a key role in mitigating its impact. Overall library utilization has increased by as much as 20%. Availability of free services has benefited economically challenged Ontarians, and career resources, literacy training and computer skills development have supported those in need.

To optimize the effectiveness of public libraries in building and transforming Ontario's communities, we need the government to focus on the federation's number one priority in the 2011 budget. The government's number one priority for Ontario public libraries should be to increase provincial operating grants to Ontario's 387 public libraries.

In 1996-97, the amount of these grants was decreased by almost 40%, and has remained static for the past 15 years at \$18.7 million. It's been frozen at \$18.7 million for 15 years. There has been no accommodation for inflation, population growth or for the new generation of users with fundamentally different information-seeking habits.

Ontario has the lowest provincial per-capita funding for library operating grants in Canada at less than 5%. Recent 2008-09 data from other provinces indicate that Manitoba's share is 18.4%, Saskatchewan's is 17%, Alberta's is 15.3%, Quebec's is 10.6%, and BC's is 8%.

Moreover, there is significant disparity in the way the provincial government allocates its current support to public libraries. On a per capita basis, using 2006 census data, provincial support ranges from \$0.59 per resident in communities like Vaughan and Markham, which have seen significant recent population growth, to \$26.17 per resident in some cottage country communities, such as

Haliburton county and Muskoka Lakes, which have few permanent residents.

So the funding envelope for provincial grants not only needs a major increase; its distribution formula also needs an overhaul.

The province's modest contribution to public library operating funding places an overreliance on municipal support. The Public Libraries Act of Ontario ensures service equity and access to all, free of charge, regardless of where citizens reside. Where Ontarians live should not determine the value of their citizenship. Efforts to narrow the gap between provincial and local funding would be a step forward in fulfilling the mandate of the province.

Our goal of service excellence is tied to funding. We ask that the provincial government significantly increase the funding envelope for operating grants to public libraries from \$18.7 million—frozen 15 years ago—to \$43.9 million in two years. Last month, the federation presented a specific proposal to the Ministry of Tourism and Culture for revamping the calculation of these grants. The proposal has received wholehearted support from 100%—I repeat, 100%—of respondents when the federation conducted a recent vote amongst its 200 member libraries.

Here are the highlights of the proposal: It calls for provincial operating grants to be calculated using a universal \$2.80 per capita factor, plus a fixed area supplement of \$4,500 for northern and rural libraries. No library would receive less than \$4,500 or less than current funding.

This proposal calls for the funding envelope to be increased by \$17.4 million in year one and by \$7.8 million in year two. The reason for such a leap in year one is because the current funding system is so incoherent that anything else would do little to correct its inequities. Even after year two, if funding reaches the proposed \$43.9 million, this would only provide public libraries with the same spending power they had in 1995. The proposed \$43.9 million simply takes the current funding envelope of \$18.7 million, adjusts it for Ontario's population growth and change in CPI from 1995 to 2006 and adds back the 40% cuts made in 1996-97.

Our proposal asks that the funding envelope be adjusted further when new census and inflation data become available and every five years thereafter.

In addition, we want pay equity funding to be excluded from these calculations of provincial operating grants but to continue to be paid at current rates. As provincial grants are increased, it is important that the Ontario government encourage municipalities to maintain current levels of funding and not claw back any of their support.

Because Ontario's public libraries come in all sizes and are located in every region, their needs and views vary significantly. However, on this issue, as potentially contentious as how to divide up a funding increment is, the sector has reached consensus and has communicated resounding support for the federation's proposal in a membership vote of 100% acceptance.

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

Mr. Jim Bennett: Thank you. Taking advantage of this consensus certainly simplifies the challenge Minister Michael Chan has stated publicly on several occasions. That is, “Public library funding needs to be fixed.”

We would respectfully suggest that if you are concerned about supporting local residents during tough economic times, if you’re concerned about helping Ontario citizens hone new technical skills to increase their employability, find job opportunities and sharpen their application and interview skills, then invest more in public libraries. Increase their provincial operating grants.

Finally, a stat I’m sure you’ll find interesting: 66.5 million visits are made in person to Ontario public libraries each year, more than three times the annual attendance at all North American NHL hockey games.

When all MPPs support public libraries and increase long-overdue provincial funding for operating grants for Ontario’s 387 libraries, serving 12.1 million Ontarians, our library patrons are impressed.

Thank you.

The Chair (Mr. Pat Hoy): And thank you. The questioning will go to Mr. Miller from the official opposition.

Mr. Norm Miller: Mr. Bennett, thank you very much for your presentation. I would say that locally, in my hometown, certainly the librarian, who’s Catherine Rodney from the town of Bracebridge, has both spoken to me and written to me to make me aware of the facts, as you pointed out in your presentation, about library funding. I know the town of Bracebridge has on their capital wish list—they’re having committee discussions right now—the choice between a new library or expanded library, a second ice surface or expansions to the fire hall. A big discussion is going on right now about which of those things will happen within their capital fund.

You pointed out the challenges of the grants that are being received, the operating grants from the province of Ontario. I guess my question is: How are public libraries surviving financially? Where are they getting their funds from to keep the doors open when they have just 5% from the Ontario government?

Mr. Jim Bennett: Eighty-five per cent of the funding for Ontario public libraries comes from the municipal level. About 5% is from the provincial government. The other percentage comes through the Ontario Library Services Centre, which has grants as a service agency of the government to provide extra support to libraries. Plus, there are many grant applications and opportunities for libraries to make up the additional 4% or 5% or 10%.

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Mr. Norm Miller: So it’s that combination. In terms of your operations, what are your biggest cost pressures in recent years?

Mr. Jim Bennett: Could I just refer you to page 4, on the 8.5-by-11-inch sheet?

Mr. Norm Miller: I’ll have to get my reading glasses.

Mr. Jim Bennett: We asked our Ontario public libraries to indicate to us and to government what they

would use the extra provincial funds for if the government increased the library operating grants to Ontario public libraries.

For example, Kenora Public Library, a northern public library: Their grant would increase currently, under our proposal, from \$33,997 to \$46,996, about a 10% increase. This is how they would use the money to help alleviate the stress of insufficient municipal funds because of budgets being tight: They would provide \$10,000 to add Sunday hours of operation so they could benefit local patrons by improving access to their library and improve Kenora’s tourism by increasing weekend services that are available to visitors in the area. Of that \$12,000, they would give \$1,000 to improve marketing to make our community and visitors aware of materials and services available through the library. They would give \$2,052 of that increase to increase programming at the library by providing training in areas of interest that include computer and research skills, additional children’s programming and author readings. So the take-up by the extra funding is being documented, the outcomes are being prepared, and every library in the province is willing to provide to government the ways in which they would use the extra funding to alleviate the situation with municipal funding being tight.

Mr. Norm Miller: Mr. Barrett has a question.

Mr. Toby Barrett: A quick question. Maybe this is more with respect to capital dollars and coordination. I represent a rural area. We have a situation with a high school where the school library is open for adults to come in and sign out books and read newspapers and things like that. Now, in another town, we tried—I guess the high school wanted to build a new library and the municipality wanted to build a new library. We wanted them to build it together. That didn’t happen. The high school built a brand new library; it’s a great library. Now the municipality is going to build a brand new library, and it will be—I don’t know—about 100 yards away. Does your organization help municipalities and school boards to maybe work together on some of this? It’s more of a saving on capital dollars, but I can see savings on operating as well.

Mr. Jim Bennett: We encourage all our member libraries—and library CEOs do work very closely with municipalities. I would hope it would be a coordinated effort when it comes to infrastructure. I might add that our second priority of the federation is to get a handle on infrastructure. We are doing a survey this year of the infrastructure needs of all the libraries in the province to determine what is required. How much money is required to rehabilitate libraries, to bring them up to the current standards for the new information age?

So one of our priorities—our second one, as a matter of fact—is to encourage the government to establish for public libraries a designated infrastructure fund that could be coupled with the municipalities as partners, to be used specifically for public library infrastructure needs. I would hope that if public libraries require rehabilitation and new libraries in certain areas, the whole

community, all aspects of the community—private entrepreneurs, federal, provincial, municipal—would come together and work out a way in which a new community hub could be built.

Mr. Toby Barrett: Would you put school boards and community colleges on that list too, or are they just a separate entity?

Mr. Jim Bennett: They tend to be somewhat separate; they have their own individual libraries. It is important that we be efficient. A library that serves the whole community, all aspects of the community, such as higher education or high school education—that's quite a distinct and unique possibility that I feel should be followed up on.

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

Mr. Jim Bennett: Thank you.

FOSTER CARE COUNCIL OF CANADA

The Chair (Mr. Pat Hoy): Now I'd ask the Foster Care Council of Canada to come forward. Good afternoon. You have 10 minutes, and the questioning will come from the NDP in this case. If you would simply state your name before you begin.

Mr. John Dunn: My name is John Dunn, and I'm the volunteer executive director of the council. For anyone who doesn't know, the Foster Care Council is a non-profit group of former foster kids and their supporters, and our mission is to advocate for transparency and accountability in child welfare.

I'm just going to go in, because I've got 10 minutes, and start from here.

By the way, I only had 10 copies of this written document. If it's required, I can go upstairs later and get more, or e-mail them to the members.

The Chair (Mr. Pat Hoy): We've made copies already, so we're all taken care of.

Mr. John Dunn: All right, thanks. Sorry about that.

According to the Legislative Assembly of Ontario's standing order 108(e), the mandate of this committee includes the fact that it is empowered, meaning each and every member of this committee has the power, "to consider and report to the House its observations, opinions and recommendations on the fiscal and economic policies of the province...."

Therefore, I am asking that each member of this committee, as individuals and as a collective whole, reflect upon the privilege and the opportunity you have been given, as both members of this committee and members of provincial Parliament, to ensure that Ontarians and Canadians as taxpayers are getting what they expect from the expenditure of their tax dollars.

Despite the fact that this is a provincial committee, I include Canadians generally as concerned citizens because the issues I am going to raise are funded both by provincial taxes and fees, as well as from the Canadian social transfer payments and the Canadian child tax benefit, among other sources of funding.

I'm here to ask the committee, in accordance with its mandate, to consider and report to the House its observations, opinions and recommendations concerning the expenditure of ministry-allocated transfer payment funds on improper and illegal activities by children's aid societies, their staff, and even their lawyers at times, so that they can recommend to the House that the House itself recommend, in accordance with standing orders 110, 111 or 112, that the Standing Committee on Social Policy, or a select committee, study and report on the operation, mandate, management, organization or operation of the Ministry of Children and Youth Services and the agencies which report to it; namely, the children's aid societies across Ontario, which have a child protection budget each year of at least \$1.5 billion. I think the ministry gets \$3 billion or so, but \$1.5 billion, approximately, is specifically for child welfare.

Due to the fact that I'm limited to 10 minutes, I can only list a few of the reasons I make this recommendation to the committee which directly speaks to the mandate of this committee at this time. However, if the social policy committee or a select committee is struck to look into these matters, as recommended, their scope can widen from strictly financial to value-for-money matters, which would include conduct, management, organization, operations and, hopefully, a total transfer of services from privately incorporated children's aid societies to government agencies. That would, by default, result in Ombudsman oversight of child welfare services, further protecting children, youth and their families.

I'm going to list three concerns briefly here, the first being the Commission to Promote Sustainable Child Welfare, which was struck by the ministry and has the legal authority, according to its mandate, to issue directives to one or more societies.

When it was brought up to the commission that the Ottawa children's aid society had been charged with illegal activity under the Corporations Act and that they paid an external law firm—Burke-Robertson, Barristers and Solicitors—to assist them, first, to commit the offence, and then to defend them on the charges against it, asking the commission to issue a simple directive telling them to comply with the Corporations Act to prevent further wasting of money, the commission ignored its mandate and the potential cost saving issue by falsely stating that it is not within their jurisdiction to deal with.

Number two, Ontario children's aid societies, which have been complaining about the ministry allegedly reducing their funding and closing their doors in some cases, have been spending approximately \$15,000 a year in membership fees for a province-wide program known as practice and research together, or PART. PART was incorporated on October 15, 2009, and currently consists of a board of directors made up of various executive directors of children's aid societies across the province and a staff member of the Ontario Association of Children's Aid Societies. PART started out in September 2007 with a membership of 18 out of 53 societies, at a cost to Ontario taxpayers of \$270,000. By January

2009—just two years later—PART was joined by over 36 societies, therefore increasing the cost of PART memberships to Ontario taxpayers to over \$500,000. That's half a million dollars.

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In addition to that, the third item is that the Ontario Association of Children's Aid Societies collects approximately \$3 million a year from children's aid societies for their membership fees on top of the millions they already receive directly from the ministry each year. This \$3 million comes from ministry-allocated transfer funds which were intended to be spent by societies on child protection and family services. Instead, the fees coincidentally pay for almost all of the OACAS' staff salaries, according to their annual report.

There are many more issues to be looked at, such as false information being provided to courts in affidavits, rules of procedure and fundamental justice being violated by societies, children kept from family when it's not dangerous, youth over 12 not being permitted to or informed of their right to attend court hearings, and much more. I'm sure as MPPs you've heard many of these and other issues over the years.

Please study fostercarenews.blogspot.com for sources of information, canadacourtwatch.com or fixcas.com, protectingcanadianchildren.ca, and other sites, and please contact each of them to perform a thorough study on these important matters. Thank you.

The Chair (Mr. Pat Hoy): And thank you. Now we'll hear from Mr. Tabuns.

Mr. Peter Tabuns: Mr. Dunn, thank you for taking the time to put that report together and for coming down to talk to us today.

With regard to the Ottawa children's aid society being charged with illegal activity, what was the nature of this illegal activity?

Mr. John Dunn: Under section 307 of the existing Corporations Act, any person can request a list of their members—not just the board, but the general membership—so you can advocate through them under section 295 to vote on an issue: a bylaw change, whatever it is that you request. The Children's Aid Society of Ottawa chose to refuse to furnish the list, and under 307(5) of the Corporations Act it's an offence. So it's either a strict liability or absolute liability offence; I'm not sure yet. Either way, that's what they have been charged with. There's no conviction yet. The trial date was held; however, the prosecutor was mistaken as to the time. He thought it was 9:30 but it was actually 9, so they had it dismissed, but the appeal will be heard in March. If the appeal is successful, there will be another trial date.

This isn't just the Ottawa children's aid; it was also Sudbury who refused the list and were put to court by another gentleman, and Toronto Catholic children's aid also refused the list on request. So it seems to be a province-wide thing that they all maybe talk to each other about, that they would automatically deny lists, against the law.

Mr. Peter Tabuns: And what reason do they give?

Mr. John Dunn: When you make the request under 307(1), 307(2) lays out an affidavit, and it says three things that you swear to. You swear you're not to use the information for purposes other than—I can't remember them by word, but they just repeat those and say, "You will not use them for this; you will not use them for that," but no valid excuse or any other justification. That was the standard. Then the Catholic children's aid, their lawyer, a Bay Street law firm, external, told us that it would create a new right, which it doesn't; it's an existing right under the act. In Sudbury, they got away on a technicality because apparently the gentleman named the Ontario corporation number instead of the English name, which is not actually a valid reason to drop a case, but they did anyway, the justice.

Mr. Peter Tabuns: Right. And do you know of other illegal activities, false affidavits, here? Can you tell us—

Mr. John Dunn: I know of one particular case. I won't go into names and stuff, obviously. I can't—I could with parliamentary privilege, but I won't. There's one case where, for instance, a child welfare staff mentioned that a mother's baby tested positive for marijuana; however, the hospital records show that it didn't. The mother had, but the baby hadn't, and that was just in hair samples, so it could have been a party or whatever. So that family was kept separate and stuff. Unfortunately, the mother's not around anymore.

But I've heard it from many people. As an organization, we get people across the province contacting us. There are constantly issues of false affidavits being done.

Another cost that's sort of a hidden cost, potentially—I don't know where this money comes from—is whenever they do settlements out of court. If people bring up the society on issues of illegal behaviour or whatnot, they settle out of court. Wherever that money comes from—I don't know if it comes from the ministry or if it just comes from insurance, but they often settle out of court, with gag orders. I know of at least three people, whom I can't name, who have settled and accepted those gag orders for either being abused in care or other issues. There's one, D.B. vs. Durham children's aid, that I think most people are aware of as well that is on the record. It's under CanLII and whatnot. So there are cases out there, but they're usually gagged and hidden from us.

Mr. Peter Tabuns: Okay. I think you've made your argument pretty clearly here, and I appreciate the follow-up information. I don't have any further questions, Mr. Chair.

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

Mr. John Dunn: Okay. As I forgot to add on at the beginning, thanks for coming out to the local regions, because I guess it's—what do you call it?—constituency day for the committee. So I appreciate that, coming out to us. Thanks.

The Chair (Mr. Pat Hoy): You're welcome.

ONTARIO RESTAURANT
AND BAR ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Restaurant and Bar Association to come forward. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. In this case, it will come from the government. I'd just ask you to state your name for our recording Hansard.

Mr. John Couse: Thank you. My name is John Couse. Good afternoon, members of the committee, and thank you for the opportunity to appear before you today. I am here in my capacity as the president of the Ontario Restaurant and Bar Association.

The Ontario Restaurant and Bar Association was founded to advocate the interests of restaurant and bar owners. Our industry is a vital sector in revenue generation for the province. We create large numbers of jobs and are an integral part of the tourism industry. Our jobs put university kids through school.

I am here to address two specific issues. One has to do with taxation, and the other is a policy of the Alcohol and Gaming Commission in the closure of restaurants.

It's safe to assume that one of the goals of the budgeting process is to maximize government revenues. To that end, I'd like to point out some basic economics of liquor sales in the province.

There are only two places to buy spirits in the province. The consumer of spirits either buys from the LCBO or he buys in a restaurant or a bar. Therefore, the LCBO competes with the hospitality industry for the same customer.

The government's revenue from a single bottle of spirits varies greatly depending on where it is purchased. Consider the purchase of a 40-ounce bottle of spirits at the LCBO versus the same volume of spirits sold in a restaurant in the form of one-ounce highballs. The retail price at the LCBO is \$36.75, tax included. The government revenue is \$2.60, which is the Ontario portion of the 13% HST. The very same bottle of spirits sold through a restaurant has a retail sale price of \$240, tax included. The government revenues on that same volume of alcohol are \$18.27, which is the Ontario portion of 15% HST minus the \$2.60 HST refund on the purchase from the LCBO.

In this case, you can see that the government's opportunity cost of selling through the LCBO, as opposed to through a restaurant, is \$15.67. In other words, the government generates five times the revenue on the same volume of liquor if the sale is made in a restaurant. When the LCBO comes to the government boasting of \$1.3 billion in record profits, keep in mind that it was made with an opportunity cost to the treasury of somewhere up to five times that amount.

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Government revenues from restaurant sales are further compounded in the form of higher payroll taxes. The LCBO employee rings the sale of a bottle of spirits through the cash register just once, and the revenues to

the government end there. On the other hand, the restaurant employee dispenses the same bottle ounce by ounce, ringing in the sales through the register 40 times. It takes a great deal more labour to dispense 40 highballs than it does to sell one bottle of alcohol. Hypothetically, it could be argued that the payroll taxes generated with a single bottle of spirits sold in a restaurant are at least 40 times the payroll taxes generated by that bottle sold in the LCBO. It follows that any shift in sales from the LCBO to the hospitality industry will benefit in job creation because of the higher labour intensity of the industry.

The inescapable conclusion in terms of tax revenue generated and job creation is that the government should be doing everything that it can to encourage alcohol sales through restaurants and to discourage alcohol sales through the LCBO.

Regrettably, we see the opposite in a number of areas of government activity. We don't have time to discuss them all now, but I'd like to focus on one key area that your committee should investigate, and that is the province-wide impact of the activities of the Alcohol and Gaming Commission.

In recent years, the AGCO has adopted a policy of liquor licence suspension for routine enforcement of the Liquor Licence Act. There is a tremendous financial impact from this policy, and it is causing great strain and fear in entrepreneurs and their employees. The AGCO is causing unemployment and hardship for many innocent people.

I'd like to point out at this point the handout that I've distributed to you. There are 40 employees of the AGCO that make over \$100,000, many of them well over \$100,000. I'd like to point out that that's probably more than I would guess some of you are making.

In conclusion, the LCBO's aggressive marketing and the AGCO's enforcement policies are creating unemployment and costing the treasury. Moreover, they are at great odds with the rest of the government's direction in stimulating employment. We believe there is a better way, and so ask your committee for a dedicated review on this issue. The hospitality industry employs more people than the automobile industry, and it deserves your attention.

Thank you for the opportunity to appear today.

The Chair (Mr. Pat Hoy): Thank you. We'll move to the government, then. Ms. Pendergast.

Ms. Leeanna Pendergast: Thank you, John, for being here, and thank you for that presentation. As we've travelled the province, this is actually the first presentation we've heard on behalf of the Ontario Restaurant and Bar Association or anything of its particular nature, so thank you for that.

Your focus on revenue, jobs and tourism at the beginning—your comments were very helpful. I don't believe we have a copy of your submission, so it was tough to hear all of that and to take it in, all those details.

You talked about two things, about taxation and the Alcohol and Gaming Commission. Your initial comments were that the government is focusing on maxi-

mizing revenues. I would say to you that this government is focusing on that fine balance between investing in public services and reducing the deficit—just to clarify that it's not all about maximizing revenues, that it is about that fine balance.

Mr. John Couse: You're quite right, but I think if savings can be had, they should be looked at.

Ms. Leeanna Pendergast: I think that's sort of where I wanted to go. I kind of smiled when you said you guessed that some of the people on that list that you gave us are making more than we are, but it's not a guess—

Mr. John Couse: It's probably right.

Ms. Leeanna Pendergast: Yes, given we know that.

I had a question about—you were talking about the shift from two restaurants, perhaps, from the focus on the LCBO, and you make some good comments about tourism and supporting communities. Are you working with anyone on public campaigns or awareness, given that this is the first that the committee has heard this particular presentation?

Mr. John Couse: The reason that this is the first time you've probably heard this is that we're a relatively new organization and relatively small. We haven't got a lot of resources, and we're hoping to grow in the near term.

Ms. Leeanna Pendergast: Okay. And another, just because we're a finance committee: Do you have any cost analysis yet about what that would look like in terms of dollars?

Mr. John Couse: No. I'm not privy to the numbers in terms of markets and market share. I've presented a scenario that I think the government should look at, and I would think that the finance department has taxation receipts from sectors and they can flesh out the actual numbers and substantiate my hypothesis, or not. I think it's a pretty reasonable explanation of the opportunity costs in terms of jobs and tax revenue for the government if you are promoting the LCBO over the restaurant business.

The LCBO has tremendous weight in the marketplace because of the resources it has. It takes out full-page advertising. It takes out radio spots. It has a glossy magazine. It has glitzy stores, and it is very successful in drawing customers into the stores. I'm just here to point out that you're drawing those customers into the stores, away from the hospitality industry. We're competing for the same customer, and it's probably not the best thing to do in terms of the health of the hospitality industry, in terms of job creation and in terms of healthy tax revenues.

Ms. Leeanna Pendergast: Thank you for reiterating that. If that's not the best thing to do, what would you say the one ask is that you have today for this committee to consider?

Mr. John Couse: That's a very good question. We're asking for a review on the part of the government of the circumstances of the situation that I've outlined here. We would like the AGCO to move from suspension. I would like to see a little more of a level playing field between the LCBO and the hospitality industry, in terms of

marketing and market share. I think the LCBO is taking advantage of their monopoly situation and the fact that they're so large, and it's to the detriment of the industry. I'll give you one small example. The Ontario portion of the HST, which is the old retail sales tax, charges 8% to the customer of the LCBO, but it charges 10% to the customer at a restaurant. I don't know why, and I don't know if anybody here can answer that. There's a 2% discrepancy, and it doesn't make sense to me why that would be. It looks bad, in that your customers pay 8% and my customers pay 10%. Not only is it a 2% discrepancy, but it is a 2% discrepancy in sales tax on a five-times-larger retail sale amount—so you're actually making a lot more than 2%.

All I'm saying is that the government should look at making a level playing field between the two industries.

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

NATIONAL AIRLINES COUNCIL OF CANADA

The Chair (Mr. Pat Hoy): Now I'd ask the National Airlines Council of Canada to come forward. Good afternoon, gentlemen. You have 10 minutes for your presentation. There could be up to five minutes of questioning, this time from the official opposition. I'd just ask you to state your names before you begin.

Mr. George Petsikas: George Petsikas.

Mr. Cyriel Kronenburg: Cyriel Kronenburg.

The Chair (Mr. Pat Hoy): Go ahead.

Mr. George Petsikas: Thank you for the invitation to appear before you today on behalf of Canada's major airlines and in partnership with our colleagues from the International Air Transport Association.

I'd like to take a few minutes of your time to urge you to eliminate the provincial tax on aviation fuel for transborder and international flights. I hope to briefly make a compelling case in this respect and thereafter take your questions.

I'm pleased to be accompanied today by Cyriel Kronenburg, who is the assistant director of infrastructure charges for North and South America for IATA.

A quick background on our respective groups: The National Airlines Council of Canada is the trade association representing Canada's largest national and international passenger air carriers; namely, Air Canada, WestJet, Air Transat and Jazz Air. The NACC promotes safe, environmentally responsible and cost-competitive air travel for all Canadians. Collectively, our member airlines carried more than 48 million passengers and directly employed almost 40,000 people in 2009. Total revenues of the four airlines exceeded \$14 billion and their estimated total economic output impact was \$19.6 billion. When externalities and secondary impacts are factored in, we estimate the activities of our members provide gainful employment to over 85,000 Canadians from coast to coast.

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Furthermore, as the airlines that represent the underpinnings of Canada's domestic and international air services network, we are major facilitators of national economic activity and commerce and are key components of Canada's multi-billion-dollar travel and tourism industry. We are also by far the largest users of Ontario's leading international airports, namely, Toronto Pearson International and Ottawa Macdonald-Cartier.

IATA is the world's leading air transport association, representing over 230 airlines from every corner of the globe. IATA members carry over 93% of the world's scheduled air traffic and offer the vast majority of foreign air carrier international air services and connections at all major Canadian gateways and airports.

Addressing the need for elimination of taxes is certainly nothing new for the airline industry. While we definitely have reason to be proactive on this front, given the plethora of federal and provincial taxes, fees and charges that abound for our industry and for the travellers who pay the bills, we sometimes overlook the fact that recommending that a public treasury forgo an existing revenue stream is in fact the cost that we are asking someone else to bear—namely, the taxpayer.

What ultimately becomes obvious as a result is that this cost needs to be transformed into a public investment, one that will pay dividends for the taxpayer and the overall economy—if not in the short term, then certainly over the medium to longer term. In brief, if we're going to ask for this commitment, then a return-on-investment analysis becomes a fundamental prerequisite to such a debate. As a result, the NACC and IATA recently commissioned a study by Professor Fred Lazar, an eminent economist at York University's Schulich School of Business, and a long-term observer and commentator on the airline industry, to analyze the effects and impacts of eliminating the 20-cent-per-litre tax on aviation fuel on Ontario's economy. I am pleased to provide you today for your review and consideration copies of Professor Lazar's final report on this subject, which was publicly released a little earlier this week.

He has essentially identified four key benefits for Ontario and its economy that would result from the elimination of the provincial fuel tax. They are as follows:

(1) Ontario would harmonize its aviation fuel tax policy with that of the Canadian and US federal governments, as well as with the policies of most Canadian provinces and US states. In an increasingly integrated North American economy, this obviously translates into enhanced and continued overall competitiveness for Ontario's vital travel and tourism industry. It would also fall on the heels of the recent announcement by the BC government to introduce legislation by 2012 to eliminate its own tax on aviation fuel, thus helping Vancouver International Airport to consolidate and strengthen its position as the leading trans-Pacific gateway.

(2) Significant benefits would be generated for Ontario's economy. Bearing in mind that aviation is a major enabler and facilitator of many sectors of the economy,

including travel and high-value-added international tourism, Professor Lazar estimates that the removal of the tax may generate direct additional economic output of between \$59 million and \$74 million per year, as well as incentivize up to 105,000 more air travellers per year to use Toronto and Ottawa airports and up to 29,000 more tourists per year to visit Ontario. It may also lead to the creation of over 1,000 new jobs in the province. On this last point, it is important to note that these jobs would be created at an initial investment of approximately \$33,000 to \$50,000 per job, or about 35% to 50% less, according to Professor Lazar, than the usual expenditure cost per job; in other words, a substantial bang for the taxpayer buck.

(3) The cost-competitiveness and strategic positioning of Ontario's leading international airports would improve significantly. This is particularly important for Toronto Pearson International Airport, a major economic engine for the GTA and southern Ontario as a whole, as it would allow it to consolidate and strengthen its position as Canada's pre-eminent transportation hub and gateway by maintaining and attracting new transborder international air services. To this end, Pearson is in direct competition with large hubs in the US such as Chicago, Detroit, New York and Minneapolis, and is currently facing major challenges in the form of passenger-traffic leakage to low-cost border airports such as Buffalo. The NACC and IATA are already working with our partners in Canada's travel and tourism industry to address this structural cost issue at the federal level by seeking to amend or eliminate policies that clearly impede Pearson airport's ability to realize the above-mentioned critical objectives. We hope that Ontario will become a full partner in this.

(4) Productivity growth rates and the overall competitiveness of Ontario's base manufacturing and service companies would be enhanced. This would principally be the result of positive externalities, resulting from increased air transport activities at Ontario's major international airports. This, in turn, would lead to improved connectivity and integration with import/export and tourism source markets abroad, as well as higher business productivity through the more efficient transportation of persons and goods.

In summary, we believe that there are now very compelling reasons for Ontario to seriously consider eliminating the provincial tax on aviation fuel used for transborder and international air services, and we respectfully urge you to follow through in this respect.

Thank you for your kind attention. We would of course be pleased now to take your questions.

The Chair (Mr. Pat Hoy): Thank you. We'll move to Mr. Miller of the official opposition.

Mr. Norm Miller: Thank you very much for your presentation today and for the detailed written presentation that you've given us, which we'll have a chance to review later.

I'd like to get a better idea of what some of the competing jurisdictions are doing in terms of the gas tax. You said that BC has just eliminated gas tax for aviation

purposes for international flights. What about those competing US hubs that you were talking about? You're in one of these regional hubs in the United States. What gas tax would you be paying?

Mr. George Petsikas: Well, we've certainly looked at the ones I've mentioned where, of course, they have a direct interest for Pearson and their ability to attract traffic. To the best of our knowledge, when we're looking at states such as Illinois, Michigan, New York or Minnesota, none of those states apply taxes to fuel used for international aviation at those airports.

You're quite right, but I just want to correct you a little bit on BC. BC has announced that they will introduce legislation in 2012 to get rid of the tax, but clearly, there is an obvious will to get rid of it because they understand the need to be competitive on that front.

Mr. Norm Miller: Okay. In terms of being competitive as a jurisdiction for Ontario, then, if the province doesn't do away with the tax, they risk losing business to these other jurisdictions, because companies would locate—

Mr. George Petsikas: What we're saying is, obviously, Pearson will always be Canada's leading airport in terms of traffic volumes. I don't think there's any threat there in the short term. The problem is, how do we help Pearson grow and develop what are, first and foremost, world-class facilities? We all know that the Greater Toronto Airports Authority, in combination with the airline community—and our passengers, who of course pay the airport and import fees—has invested \$7 billion in creating a world-class terminal and airport. Now we have to get people through there.

What you're seeing is a trend which is very disturbing, which I mentioned before, about Buffalo, for example, which is the direct case applicable to Toronto and Pearson. Somebody said the other day that they did a quick count of cars and licence plates at Buffalo international airport's parking, and 40% of them were Ontario licence plates.

Mr. Norm Miller: So on that point, I certainly talk to people—you're chatting with them and they're flying wherever, and you ask them about details, and it's true: A lot of them are driving to Buffalo even though it's more inconvenient for them, and they cite, "It's cheaper out of Buffalo, so I'm going there." Are there other fees, taxes or requirements to do business in Ontario that are making it more expensive? Do you want to itemize or list some of those?

Mr. George Petsikas: Clearly, we focused here on what is within your purview, obviously, in terms of the provincial tax that Ontario applies. I think a lot of the problems and issues are at the federal level, as I mentioned. Clearly, we have airport rent that is applied to Pearson, almost \$160 million a year—I'm not sure if I've got that number. We have one of the highest security charges in the world that the federal government collects; that adds to the ticket price. We have, in fact, all sorts of federal domestic fuel excise taxes, which are four times what the United States charges for its domestic air

services. We're focusing on the international aspect here, in terms of developing that sector, but there are many issues that the federal government has to come to the table on, and we are working on that front as well.

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Mr. Norm Miller: Back to the provincial gas tax issue: What do the other provinces do with international flights?

Mr. Cyriel Kronenburg: If I'm allowed to add something, from the international perspective, I think the difference that occurs between Ontario and other states in the US is the fact that Ontario and BC are the only two provinces that collect this tax on international fuel uplift. It's actually unlikely and highly unusual in the rest of the world that such a tax is levied on international aviation.

Mr. Norm Miller: So the standard is, no tax on international.

Mr. Cyriel Kronenburg: The standard is, no tax. When you compare, for instance—a state like California has zero tax. The state of Washington, DC, has three cents per litre, but only on domestic flights. When you look at Ontario competing with Illinois, with New York, with Michigan, then you're clearly seeing that leakage from the fact that there is no tax in the competing environment. I think that's a direct disadvantage to an Air Transat or Air Canada when they are compared to a Delta or an American Airlines operating their hubs out of North America.

Mr. Norm Miller: Has it been that way a long time or is this something relatively recent?

Mr. Cyriel Kronenburg: We've applied for this removal before. The answer we've always received was, "Come with a clear business case." That's why we're here today.

Mr. Norm Miller: But the tax has been in effect for many years, then?

Mr. George Petsikas: Yes, it has. And I want to just underline again: We are working with our partners in travel and tourism. Travel and tourism in Canada is a \$75-billion-a-year business and employs over 600,000 people per year, coast to coast. Ontario, of course, is a major part of that. This is a major part of our economy. Canada used to be number eight in international arrivals in the world in terms of international tourism. We're now number 15 and dropping. That says that we have a problem.

What we need to do is to have a strategy here which reduces input costs on the industry and allows us to offer a competitive product to everybody and anybody who's looking to go and travel around the world, and say, "You know what? Canada—Ontario—is an interesting place. It's got a competitively priced product and I'm going there next year, as opposed to the cheaper thing I can do in Australia for two weeks for the bang for the buck that I get." That's all because of taxes and input costs that we have to address in this country, federally and, of course, starting with the provincial tax on fuel here in Ontario.

Mr. Norm Miller: Thank you.

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

Mr. George Petsikas: Thank you for your time.

ALLIANCE TO END HOMELESSNESS

The Chair (Mr. Pat Hoy): I would ask the Alliance to End Homelessness to come forward, please. Good afternoon. You have up to 10 minutes for your presentation. There could be up to five minutes of questioning. In this case, it will come from Mr. Tabuns of the NDP. If you would just state your names before you begin for our recording Hansard, you can start out.

Ms. Marion Wright: Thank you very much, and thank you for hearing us this afternoon, on a Friday afternoon. My name is Marion Wright, and I'm the chair of the Alliance to End Homelessness. I'm also the CEO for the Canadian Mental Health Association, Ottawa.

Mr. Dan Sabourin: Good afternoon. My name is Dan Sabourin. I'm the vice-chair of the Alliance to End Homelessness, as well as the director of community services for the Youth Services Bureau.

The Chair (Mr. Pat Hoy): Go ahead.

Ms. Marion Wright: Thank you very much. I would just like to confirm, Mr. Chair, that we are circulating some pictures for members of the committee. We will speak to them and, with your approval, following the end of the meeting, will actually collect the pictures back, to maintain the privacy of the individual involved.

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

Ms. Marion Wright: Thank you.

Thank you again for entertaining us here this afternoon. What we're here to talk to you about is the critical role of housing in what we're calling the back-to-basics Ontario budget for 2011.

We come with three major recommendations. My colleague and I will speak to them and then go through some of the background information for you so that hopefully we'll be able to answer your questions.

The first recommendation: The Alliance to End Homelessness Ottawa, with its 75 member organizations, recognizes the challenges that are faced by the provincial government and urges a back-to-basics approach that includes housing for the 2011 budget. That's the first recommendation.

The second recommendation is to increase provincial government expenditures in affordable housing—in particular, housing that people who are on low incomes can afford—in the 2011 budget.

The third is that people in Ontario need to see hope in the 2011 budget. It has been a difficult time. It's a hard time for many Ontarians. Now more than ever, voters want to see the government acting to make sure that everyone has an appropriate place to live. Another word for hope is, of course, leadership, and leadership that is both strategic and risk-taking.

I'd like to speak to the first recommendation initially. The Alliance to End Homelessness, with its 75 member organizations, recognizes the challenges faced by the

provincial government and urges a back-to-basics kind of approach that includes housing. What is fundamental to all of us in Ontario? We agree that the list ought to include business and economic strength, residents who are in good health, well educated, trained, and, of course, employed. To this list we add housing, the other fundamental to every Ontario resident.

I'd like to refer you now to the five-picture sequence that I've given to each one of you. This is an individual who is in Ottawa and for seven years was vulnerably housed. Looking at the picture on the first page, you can see what she looks like up close. She's living in and out of the shelter, on the street. She has two children, neither of whom she had access to at this time. She was vulnerably housed and in and out of the shelter system for seven years. She's hep C and HIV positive and an intravenous drug user.

If you look to the second page, you can see how she made enough money to foster her addiction. She was a street worker, and she worked many times and many ways for many years in that situation.

The third, again, is this individual on the streets working, again, as a street worker.

The fourth is taken about two months before she was housed. At this point, she had been involved in addiction and mental health treatment for a number of months, including concurrent-disorder treatment to try to reduce her active use of drugs.

The final page is where she is today. Her name is Laurie. If you ask her, "How did you get there? What was the single most critical thing?" she says, "I have a home now." It's not a house; it's a home, and what that home meant for her was everything, with respect to her recovery. She has not used, ever, since she's been in her home. She has been in her home since September. She won't let anyone even smoke in her home. She has now been reunited with one of her two children and with her father. She's starting to volunteer. She is receiving a rent supplement from the Canadian Mental Health Association and is actively involved in treatment, and is now looking at working in a laundry co-op working with the homeless. That is the picture of what housing can do to end homelessness one door at a time, one Ontarian at a time.

We really urge the provincial government to give priority to housing for all Ontarians in this budget and, in many ways, to stop undermining many of its own efforts. It's very impactful when you see a story in pictures like this and you look at the fact that she had access to treatment, she was involved in treatment, but what made the difference for her was to have stable, safe, affordable housing.

We believe that the Ontario budget expenditures need to be realigned, not increased, in order to be sure all fundamentals are being dealt with from a position of effective and strategic leadership. Cross-ministerial input is important.

Now I'll turn it over for recommendations 2 and 3 to Dan Sabourin.

Mr. Dan Sabourin: I'd like to start by saying that certainly in the province, with the poverty reduction strategy and the affordable housing strategy, there have been some gains. I think what we are presenting today are actually both the social and economic impacts of setting really clear targets, that where the poverty reduction strategy indicates that housing is a key element, we would suggest it's the primary element, because you can feed kids, but if they don't have a place to stay, that's not going to matter much.

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I'll just review recommendation number 2. This is a sound investment that creates both long-term and short-term jobs and supports diverse, stable, inclusive communities. Affordable, appropriate homes for everyone, no matter their income level, are the foundation for a prosperous province, part of an economic strategy that includes a poverty-free Ontario.

Specifically with the budget, we'd like to see a significant down payment on a 10-year affordable housing strategy. We're looking at 8,000 to 10,000 new units as a concrete, measurable target.

Ontario should contribute, in 2011, at least the same amount of funding as in the previous two years, approximately \$45 million, to extend the affordable housing program, matching the expected federal contributions, and commit to this funding annually for the next three years.

The Ontario government should, in addition, provide funding and other measures to maintain good, affordable homes for Ontarians, since much of the existing affordable housing is in serious need of repair and significant maintenance.

Ontario should introduce an Ontario housing benefit, a monthly benefit to make existing rental housing more affordable to low-income Ontarians by reducing the gap between high rents and tenant incomes.

Finally, Ontario should announce, as a non-monetary measure in the 2011 budget, that it plans to amend Ontario's Planning Act to direct municipalities to require the inclusion of housing at prices affordable to lower-income households in the development and redevelopment of land to stimulate the development of stable, accessible and affordable housing. You'll see later on that we do break down the economic benefit of doing so.

Recommendation number 3: As Marion had indicated, people in Ontario need to see hope in the 2011 budget. Now more than ever, voters need to see the government acting to make sure that everyone has an appropriate place to live, and, as Marion indicated, it's around leadership.

In the work undertaken by the 75 member organizations of the Alliance to End Homelessness Ottawa, the importance of hope for the future can never be underestimated as a motivator for change and for staying the course together. When the Ontario government released the long-term affordable housing strategy on November 30, the plan failed to deliver details that would produce a single new unit of subsidized housing or meaningful, im-

proved housing affordability for low-income Ontarians. Our member organizations are painfully aware that over the last few years, the affordable housing program has averaged only 3,500 new units province-wide per year. Here in Ottawa, there were approximately 5,800 new homes for purchase in 2009, and about 6,500 in 2008. As far as affordable housing, there were only 88 created last year.

Over 2010-11, one-time stimulus spending of federal-provincial-municipal dollars is expected to result in 751 new affordable units. That would bring the Ottawa community up to about 1,800 affordable units added to our housing stock since 2000, an average of 164 units a year over 11 years.

So we have seen very welcome dollars come into Ottawa to begin addressing repairs and maintenance, but the number of people in our over-capacity shelters and on social housing waiting lists tells us that we need to quickly increase the amount of affordable housing for people on lower incomes so that they can afford to live.

Ms. Marion Wright: I'd like to just draw the committee's attention back to pages 4, 5, 6 and 7. Page 4 shows the shelter bed costs in Ottawa projected on our six-year trends. Looking at the province's portion going from \$14 million to \$30 million over the next 10 years, if nothing more is done, that's only the per diem cost for housing people in emergency shelters.

Again, on page 5, we show what you could do with investment and how you could save, and also how that would result in fewer people having to use the emergency shelters and what those costs would be compared to the ever-increasing costs of simply housing people per diem in the shelter system.

We also show a road map to how we think that we could, together with your help, together with the municipalities as well, meet the targets to end homelessness in one city, in Ottawa, in 10 years. We show you, at the bottom of page 6, the increasing trends in terms of number of individuals. The number of families has risen in a staggering amount, and of course, the length of stay over the past six years has also risen in an incredible amount, predominantly in families and in youth.

The Chair (Mr. Pat Hoy): I'm going to end your presentation there because I thought you were finishing with the gentleman, and you are about a minute over. But the members will certainly look at the rest of the packet. Now, we'll go to questioning, which is important, from the NDP's Mr. Tabuns.

Mr. Peter Tabuns: Thank you very much for doing obviously a large amount of background work and coming and presenting to us today. You just quickly touched on the affordable housing options and costs—emergency shelter versus long-term shelter. Without looking at this in greater depth, can you tell us: Is it a break-even proposition with people getting far better quality of life? Is it a cost-saving proposition to go to permanent, long-term housing? Can you tell me what it is and what sort of quantities we're talking about, if we're talking about savings?

Ms. Marion Wright: We're looking very much at it being a cost savings, if you look at the economic benefit. The human benefit, of course, is well understood. But if you look at the economic benefit, and again, I'll refer you to page 5, the degree of a benefit depends upon how the demographic group is housed and whether or not they need supports to go along with it. We'd like to applaud the Minister of Health in creating 1,000 new affordable housing units through rent supps for people with problematic substance use. There are many Ontarians who, in addition to affordable housing, also need to have supports to assist them in recovering from mental health and addiction issues and, of course, including long-term stabilized housing.

Mr. Dan Sabourin: If I can, just really simply, one person in a shelter is about \$1,200 for the month. A person housed, paying rent on OW, for instance, is about—for a family, it's about \$540. So the more people you get out of a shelter is a net difference; even if they weren't working but had their own home, then there are other benefits to that. It's probably about \$800 a month, out of a shelter.

Mr. Peter Tabuns: Okay. That's a very useful figure for me. If, in fact, the requests you've made are not met, what would be the consequences for the population?

Ms. Marion Wright: From an economic perspective, continued rising costs, which is the per diem only, will more than double in 10 years, and 80% of the per diem is paid for by the province. It's only 20% of the per diem that is paid for by the municipality. So you'll see a substantial increase, and that's just the per diem for emergency shelter. It doesn't take into account any of the other services or in fact the contributions made by shelter operators in terms of donations or in-kind kinds of work. We estimate that to be about 40% to 50% of the overall cost—so, really staggering costs, increasing substantially.

Mr. Dan Sabourin: Working in the field, we understand the social impact that it has on families, but I think the business plan—economically, you're going to see that the larger cities in Ontario are the ones that are paying most of the homelessness costs. In those cities, you've also got other costs there attributed to the municipality, whether that's policing, ambulance, hospital care etc. Exponentially over the next couple of years, that will have a great increase or cost to cities. The people who are living in the cities—and the costs are not necessarily people just born in Toronto or Ottawa. These are people who come from all over the province. It's a provincial issue; it's not a city—you know, it's major cities that respond and react to homelessness, but it's a provincial issue.

Mr. Peter Tabuns: As I understand it, the waiting lists continue to grow and grow. Certainly, when I deal with my constituents and we try to find housing, that's the simple reality. Are people doing analysis of the social and health impacts on those people who are being forced to wait longer and longer?

1440

Ms. Marion Wright: The waiting list in Ottawa is about 10,500 households at the present time. We haven't seen it decrease, and you know, of course, that there are priorities attached to that: people fleeing abuse etc.

We have not done the economic analysis. We're there to pick up the people and try to house them, try to provide health care, try to treat them, try to recover them or try to sustain them in often unsustainable circumstances while they're waiting for housing. I certainly think that there are organizations—I think of the Mental Health Commission of Canada, which is looking at a five-site housing initiative, with one site in Toronto. Look at other places that do have the structure and the engine to be able to do that kind of analysis.

Mr. Dan Sabourin: The other part to that is, it's really a difficult measurement. What we've done here is, I think, put the concrete cost of a shelter bed versus housing.

I think the other economic impacts are, again, school failures. Many of the students in primary or secondary who are not doing so well—that's usually related to housing issues. You have ambulance costs. You have a number of impacts where it's really hard to accumulate what the real cost is, but it's far larger than just what we're presenting here as far as the community and all the costs associated with that.

Mr. Peter Tabuns: Well, that makes sense to me. Thank you.

The Chair (Mr. Pat Hoy): Thank you for the presentation. I remind members that these presenters would like to have the pictures back. Thank you for your submission.

CHAMPLAIN COMMUNITY SUPPORT NETWORK

The Chair (Mr. Pat Hoy): Now I ask the Champlain Community Support Network to come forward, please. Good afternoon. You will have 10 minutes for your presentation. The questioning could be up to five minutes and will come from the government in this case. I just ask you to state your names for our recording Hansard, and then you can begin.

Ms. Lise Richard: Lise Richard.

Ms. Dianne Kuipers: Dianne Kuipers.

The Chair (Mr. Pat Hoy): Go ahead.

Ms. Lise Richard: Merci de nous accueillir devant le comité.

Thank you for the opportunity to appear before this committee and to provide the perspective of the Champlain Community Support Network and the not-for-profit home and community health sector in the Champlain region on the 2011 provincial budget.

I'd like to start by giving a small testimonial. When asked how the Going Home program, which is an aging-at-home-funded initiative, helped her after coming from the hospital, Mrs. E stated she could not say enough good things about the people who came to her home. "I was so

weak in the mornings I couldn't even get my own breakfast. By the afternoon, I wasn't too bad." She explained that her son, who lives with her, leaves early in the morning for work and was unable to help her before he left.

After breakfast was prepared for her, Mrs. E said that "the girls" would help out with any housework: "Everyone was so friendly and helpful." Mrs. E added that she appreciated the Meals on Wheels, as she was too weak to make her own meals. "They were very good," she says. Mrs. E and her son are now more aware of other community services available and will be using them in the future. For instance, she will be signing up for the Lifeline services. Mrs. E says, "I want to stay in my own home as long as I can, and having the help makes me able to do that."

For those of you who may not be as familiar with our network, allow me to tell you a little about us. Community support services are partly funded by the Ministry of Health and Long-Term Care through the local health integration networks. Responding to individual needs, agencies provide an efficient, consistent and coordinated range of services designed to help people live safely and independently in their homes as long as possible. They provide essential services through professionally trained staff and volunteers who care about quality of life. Services are provided in the comfort of home or in the community, respecting individuality and diversity.

Agencies provide services to help reduce isolation and keep people safe in their homes, as well as to provide education and support to caregivers of seniors and adults with physical disabilities. Some of the services you may be familiar with are Meals on Wheels, transportation to health-related appointments, adult day programs, home help and home maintenance, as well as attendant care services, to name just a few. Home and community support services are crucial to preventing premature, inappropriate emergency room visits, hospital admissions, and acute health care or long-term-care home placements.

The Champlain Community Support Network works in partnership with the Ontario Community Support Association, a network of agencies providing home and community care to 750,000 Ontarians per year. The majority of community support services in Champlain are member organizations of the provincial association. Community support services vary in size between one and 730 employees. I would like to add that that last figure is quite rare; most agencies would have under 10 employees.

Some community support programs are located within community resources and community health and long-term-care facilities. Provincially, 25,000 employees provide quality care to 750,000 people, and 100,000 volunteers donate almost seven million hours of service yearly, with a value of over \$162 million. That's based on the average wage in Ontario in October 2010. In the Champlain region, there are 59 community support services, serving urban centres as well as geographically large and remote rural areas.

We are conscious of the government's health care objectives to contain spending, reduce hospital wait times and create a culture of health prevention and better disease management. All of us working in health care realize that with an aging population, chronic disease is becoming more prevalent and smaller families are often scattered across the country, making caregiving more challenging; that we all must be as innovative and efficient as possible. A progressive, modern health care system keeps people healthy and connected in their homes and communities, not sick and alone in institutions. We believe that home and community support works because it offers local, flexible solutions.

As you heard in Mrs. E's testimonial, home and community support services have a significant impact on people's lives by supporting instrumental activities of daily living.

Ms. Dianne Kuipers: And now, here is the key: Keeping people living independently in the community and out of hospital is a more cost-effective means of health delivery than institutional care. Investing in home and community care frees up hospital beds and unclogs emergency waiting rooms. Examples in Champlain include aging-at-home investments such as the Going Home program, Aging in Place and, more recently, assisted living services. There are also decreases in long-term-care home placements and long-stay hospitalizations, both at lower cost to the health care system. It is our position, then, that modest, targeted funding for community-based health services in the 2011 budget is a justified long-term investment.

Some strategic investments that could be made to enhance our capacity to provide more service to more people, thus helping to reduce hospital admissions or readmissions, include serving high-needs seniors by providing expanded services, including evenings and weekends; supporting family caregivers by investing in day programs and respite care; and funding to increase services for people with physical disabilities to address the long wait-lists for these services and keep people out of ALC beds, rehab hospitals and long-term-care homes.

An ongoing concern is the shortage of home and community health workers. One of the reasons for the difficulty in recruiting and retaining workers is the disparity in compensation and working conditions between the community health sector and the institutional health sector. We urge the government to look at this disparity, especially the absence of a pension plan for workers in the community health sector, which is a barrier to the mobility of workers across the health sector.

There also continue to be, in the absence of standardized training and accreditation processes, concerns for the quality of the training provided to personal support workers, undermining the confidence of employers and the general public. We therefore recommend appropriate resources to support the development and monitoring of training criteria.

Finally, we would like to tell you a little bit about the challenges we face locally. As the volunteer base in com-

munity support ages, we face new challenges in volunteer recruitment.

Another pressure is client fees: There are concerns that to keep people living at home longer, we'll require clients to access a larger number of services that they may not be able to afford. Furthermore, with a 0% increase to base budgets and cost-of-living increases that have a direct effect on fundraising, the cost of service may need to be downloaded to the client under the existing funding structure. It's important to note that community support services generally receive between 50% to 70% of funding from the Ministry of Health and Long-Term Care. The rest needs to be fundraised.

1450

A wait-list of four to 10 years for attendant care services is also of great concern to our sector and comes at a great cost to taxpayers, given that people waiting for attendant care services end up using more costly services, such as hospital and long-term-care beds. With even a small increase in funds, our network can move forward to reduce the wait-lists for services for people with physical disabilities, increase capacity within the community sector to prevent or delay the need for more costly health services, and enhance the information management capacity of member organizations to assess client needs, target services and track client outcomes.

In closing, we encourage MPPs to think strategically. Investing in home and community services now will save the government money in the near future, and it will improve the health of Ontarians.

We thank you for your attention today, and we would be very pleased to answer any questions you may have. Merci pour votre attention.

The Chair (Mr. Pat Hoy): The questioning will go to the government. Ms. Pendergast?

Ms. Leeanna Pendergast: Thank you, Lise and Dianne, for being here, and thank you for all the great work that you do on behalf of the Champlain Community Support Network. I loved your testimonial that you began with, because it really is a perfect example of support for the government's aging at home strategy and why we are so committed to that strategy. So thank you for that.

I want to start at the end of your presentation and work backwards. As I said earlier this week, that's how I read a novel too: I go to the end and then I work back. I think it's from being an English teacher; you want to know the bottom line. But you end with saying, "...to think strategically. Investing in home and community services will save the government money." Absolutely; no argument there, and we've heard consistently throughout the province that this is the case.

Your report is very succinct, and you've hit the points that we've heard sort of scattered here and there and brought them all together, so thank you so much.

This is a really big question, but because we're a finance committee: Any numbers, studies or statistics that we could really take a look at, in terms of, when you say that it would save the government money in costs, that you could perhaps refer us to?

Ms. Dianne Kuipers: We are really grateful to our provincial association, which has done quite a great study. The briefing notes that are included before you have some of the formulas that they used to figure that out.

In terms of savings, I don't have that specific figure, but I can tell you that in terms of the investment, the association and all of us who are members of that association are advocating for a 1% solution. In fact, what that means is shifting 1% of the funding that typically goes to the hospital into community support services. With that 1%, we could address rather significantly some of the issues we outlined today.

In the briefing note, those issues and those areas are quite extensively explained. It's actually a strategy that would take about three years to come to fruition. There's a percentage of less than 1% per year.

Ms. Lise Richard: Yes, it would be a percentage of the increase that is meant for the hospitals over the next three years, up to 1% by year three. That's the solution.

Ms. Dianne Kuipers: And incremental.

Ms. Leeanna Pendergast: Okay; very helpful. Thank you.

Really unique, about your local challenges—it's really good to hear that as well—and about a volunteer base and client fees. We haven't heard a lot about that. Can you tell us, specifically in terms of your volunteer base, what strategies and suggestions you're working on?

Ms. Lise Richard: We're working—well, we're trying to work at it at different levels. But essentially, what it boils down to is that many of our organizations which have a very strong volunteer base, as you saw in the numbers—and they're not different in Champlain from what you see provincially, so we're pretty much on average with that—the majority of the volunteers are aging themselves. They've been volunteering for many years, so we're expecting a huge drop over the next few years in the capacity of the volunteer base that we have now. So we really need to think about new strategies to recruit new retirees etc. We're not really expecting that the baby boomer generation, for instance, will volunteer the same length of hours. The strategies need to be very different. There have been a few studies around that. We're looking at that but we certainly, in the interim, have some concerns about how we can strengthen that volunteer base.

Ms. Dianne Kuipers: If I may, a recent HR study demonstrated that the average age of our current volunteer base is 70 to 80 years old. So our volunteers are becoming our clients and that's the concern. Some of the coalitions in the Champlain area and some of the organizations across Ontario are targeting certain employers. Retiring teachers are approaching the HRPAO to see if there is a way for us to work in partner together to help plan the retirement stage of folks and to see whether community support services might be a venue for which they could work and contribute.

Ms. Lise Richard: We're also looking at how we might be able to find efficiencies by looking at volunteer

recruitment as a collective, because traditionally, all the agencies do their own recruitment. We really feel that with a new strategy, we need to get our minds and our resources together to make it happen efficiently.

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

Ms. Lise Richard: Thank you.

Ms. Dianne Kuipers: Thank you.

The Chair (Mr. Pat Hoy): Now, I ask the Cement Association of Canada to come forward, please. The cement association?

We'll recess until he arrives.

The committee recessed from 1454 to 1459.

CEMENT ASSOCIATION OF CANADA

The Chair (Mr. Pat Hoy): The committee will now reconvene. I believe we have the Cement Association of Canada representatives here now. Indeed, you were booked for 3 o'clock. You have 10 minutes for your presentation, gentlemen. There could be up to five minutes of questioning following that. I'd just ask you to state your names for our recording Hansard, and then you can begin.

Mr. Michael McSweeney: Michael McSweeney, president, Cement Association of Canada.

Mr. Steve Morrissey: Steve Morrissey, director, Cement Association of Canada.

Mr. Michael McSweeney: Mr. Chairman and committee members, good afternoon and thank you very much for this opportunity to present the concerns and recommendations of the cement industry of Canada.

I apologize for being a few minutes late. I was out in Regina at the National Infrastructure Summit that Mayor Fiacco was hosting there, which spent the last three days examining the state of Canada's infrastructure, and it was quite an interesting conference.

I represent the cement manufacturers in Ontario. Many of them are names that you would know: Lafarge North America, St. Marys Cement, Holcim Canada, Essroc Italcementi and Federal White. Together, our members manufacture over six million tonnes of cement each year. The cement and concrete industries in Ontario employ 16,000 people and contribute over \$6 billion of economic activity to our province. They allow the province, in fact, to be self-sufficient in meeting the cement demand we have for our province's infrastructure.

As many of you may know—and we get asked this question all the time, “What's the difference between cement and concrete?”—cement is a fine grey powder that's mixed with crushed stone, sand and water to make concrete, which is one of the most durable, sustainable and cost-effective construction materials across the world. Cement is the glue that holds the concrete together. It's a strategic commodity and it's a critical component to Ontario's infrastructure plans today and into the future. In fact, cement really underpins the construction industry. With no cement and no concrete, you

would have no construction industry in this province, in this country or around the world.

Even though the economy has been recovering slowly, our industry has been significantly impacted by the global recession. Our members have experienced the largest declines that they've had since the Great Depression. Our exports to the US continue to be constantly and sharply declining. Although the economic recovery is under way, it will be quite some time before we see a return to our pre-recession levels. More worrying still is the continued appreciation of the Canadian dollar, which of course hurts all manufacturers in Canada and in the province.

We applaud the government of Ontario for introducing measures that allow a significant renewal of the province's infrastructure. We need to encourage governments provincially, federally and municipally to maintain the pace of infrastructure renewal. Our primary message to you today is, whether you're investing funds alone, whether you're doing it through a P3, whether you're doing it with junior levels of government, you need to take the broader view and focus on a concept called “total cost of ownership.” The motto should never be “Lowest cost wins.” The motto should always be “Build it once, build it right and build it to last.” In that way, we will ensure that new projects contribute to achieving Ontario's sustainable development objectives.

In order to do this, the government needs to be promoting issues like enhanced energy efficiency, project life cycle assessment and costing, and reducing greenhouse gases. If I might make a plug for one of our newest and most innovative solutions, when the province acquires cement for provincially funded projects, you should mandate the use of this new cement. It's called Portland-limestone cement, and has been CSA approved. It's in the National Building Code of Canada and it is a suitable substitute for general-use cement. If you use this cement in projects that the government of Ontario funds, you can reduce GHG-related emissions by up to 10%.

Current cement manufacturing is highly energy-intensive. Cement producers are large purchasers of electricity, and this cost has been rising steeply, as we know, in Ontario, with no end in sight. The increasing uncertainty over medium- and long-term electricity costs is really diminishing the desire of business to invest and reinvest in the province of Ontario. While the government has made changes to the allocation of the global adjustment that really are beneficial to us as manufacturers, our members are still facing massive increases in electricity costs, on average 12% in 2010 alone—this at a time when we've already implemented significant energy-efficient programs. The electricity crisis that you're facing today in Ontario is not just a residential consumer political battle; it's a crisis that will soon have business running out of the province looking for more friendly territories to invest in.

Regulatory and other business costs threaten to undermine our province's progress on the taxation front as well. Ontario's Open for Business Act provided the

government with many opportunities to help the province's existing businesses and create an environment that is attractive to new growth, yet our recent experience has been that for every one step the government takes forward, there's always a step back.

To compliment the government on a step forward, the MOE has undertaken a very ambitious modernization of the approval program, changes to the way certificates of approval are granted. They're greatly needed and much welcomed by our industry and other manufacturers.

We have recently begun work under the deputy minister, Gail Beggs, and her team on a cement working group that's looking at finding innovative solutions to the approvals process for the industry's most pressing issue, the use of alternative fuels in cement manufacturing, which will lead to reduced greenhouse gases in our province. The use of these fuels will be a win for the government of Ontario, the environment, and the health and safety of our citizens across the province. Alternative fuel use would enhance the industry's sustainability both environmentally, where we can reduce GHGs and other air pollutants, and economically, where fuels account for a substantial portion of our manufacturing costs.

To realize that potential, Ontario will need to bring the far-reaching Green Energy Act reforms to issues related to thermal energy substitution, much as it has done for the electricity sector. In addition, legislators will need to provide a signal through the review of the Waste Diversion Act, which you're currently looking at, that energy recovery from waste is much preferable to filling up our landfills across the province.

An example of a bad piece of legislation and a step backwards is the Toxics Reduction Act. It has placed and continues to place a tremendous burden on the cement industry and, in fact, all industry across the province of Ontario, for really questionable environmental benefits. While the CAC and our members fully support the Toxics Reduction Act and the key principles of the MOE strategy, we were frustrated with the development of the process. The province has been pressing full steam ahead with this implementation despite significant uncertainty that remains associated with the regulatory changes and a lack of accounting guidance from the MOE. We recognize the importance of this legislation to the government's environmental agenda; however, I ask you to consider, when you're looking at this in cabinet and caucus, whether delaying the implementation by one year would really affect the programs and goals.

Climate change is the single largest environmental and policy issue facing both the government and our members as well. Our members are actively researching new opportunities. We're working closely with ENGOs and we're working closely with the MOE to increase the use of biomass and low-carbon alternative fuels in our manufacturing process.

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We are an energy- and emissions-intensive and trade-exposed sector in Ontario and across Canada. Our members risk being placed at a disadvantage internationally,

both in terms of our domestic market share and in our primary export market share in the northern US, if the cap-and-trade program that the Ontario government is considering actually gets implemented.

While the government has committed to a 2012 start for the cap-and-trade implementation timeline, that's still only 10 months away—an implementation timetable that leads to an awful lot of uncertainty as to whether or not the goals can be accomplished or feasible. It's imperative that the development and implementation of a cap-and-trade program not be rushed, and that sufficient time be allocated for comprehensive consultation with the community.

In closing, Mr. Chairman and committee members, I wanted to leave you with one important message: The government must take action to ensure that the overall business environment in Ontario is favourable and sufficiently competitive to retain and grow the manufacturing sector in Ontario.

Once again, I want to thank you for allowing us this opportunity, and I'd be happy to answer any questions you might have.

The Chair (Mr. Pat Hoy): Thank you. We'll go to the official opposition. Mr. Miller.

Mr. Norm Miller: Thank you very much for your presentation. I guess I'll start with your concern with energy costs. You said that they've increased 12% in the last year, and I think your words were something along the line that you're concerned that business will soon be running out of the province in search of more competitive jurisdictions. Then you also connected that with the alternative fuel use for the production of cement. The alternative fuel use working group is looking at alternative fuel use. Is that tires being used, for example, in the production of cement?

Mr. Michael McSweeney: No, there are no tires used in Ontario. Tires are used in other competing jurisdictions such as Quebec. We use in our processes approximately 95% coal and 5% alternative fuels.

Mr. Norm Miller: So what are the alternative fuels? I'm not saying that tires are bad; I'm just—

Mr. Michael McSweeney: Tires could be one of them, but at this point in time, it's not one we're asking for. Other alternative fuels would be anything that has a calorific value that goes into the landfill today: construction and demolition waste, plastics, carpets—anything like that. Then there are all the biomasses: biosolids, renewable switch grasses etc. Those are the things that we can reduce coal and reduce greenhouse gases.

Mr. Norm Miller: So there's environmental benefits and economic benefits by you looking at these alternative fuels?

Mr. Michael McSweeney: Yes, there are. So our costs to run the kiln are 85% for the coal and 15% for the electricity. What we're really trying to do is be energy efficient on both sides: on the electricity side, but also on the alternative fuel side. When we look at Quebec, which has an alternative fuel substitution of about 30% and Ontario is still below 5%—

Mr. Norm Miller: They're way ahead of us.

Mr. Michael McSweeney: —and we're in competing jurisdictions, we keep saying, "What's so different about the province of Quebec that they can substitute coal and produce 30% less GHGs than we do in Ontario?"

Mr. Norm Miller: I know Toby would like to ask a question.

Mr. Toby Barrett: Very briefly. Of course, we all support reducing toxins, but by definition, your industry—a petroleum refinery or a chemical manufacturing facility—the products you deal with, the chemicals, are, by definition, toxic. You don't eat them or drink them, for example.

I guess my question is: Through the Toxics Reduction Act, through filling out the forms, the additional paperwork, the annual reports, how does that reduce the toxics?

Mr. Michael McSweeney: It doesn't. And I would beg to differ: The products that go into our process are limestone, gypsum. They're only corrosive at the end of the process when water hits them. They're not corrosive at the beginning of the process.

Mr. Toby Barrett: So the toxic reduction legislation—can that be fixed? Can that be amended? Do we scrap that legislation? How do we—

Mr. Michael McSweeney: I wouldn't say we scrap it, but I would respectfully suggest that it's very difficult when government tries to apply a one-size-fits-all approach to solving any problem. I think that the goal of the Toxics Reduction Act is admirable, and it will be much more effective if the government takes its time and works with each sector—works with the chemical sector, works with the forestry sector, works with the cement sector, works with other industrial sectors—to say, "How are we going to do it?" Because at the present time, we're spending an awful lot of money on consultants, trying to come up with our own toxic reporting forms. The government of Ontario doesn't even have forms that every company and every industry can use to report in a uniform way.

We're spending tens of thousands of dollars with a consulting firm, saying, "Can you design us a form that each one of our five companies in Ontario can use?" Now, we don't know if that form will be accepted by the government of Ontario. We're hoping that if we're the first to develop a form, they may say, "Hey, this is a great. Look, the cement industry developed something that we can use with every other industry." But it takes time and resources, and when all of these things hit in a recession, it just makes it more difficult.

We want to be partners with the government. We want to work with the government. But in times of recession and slow economic growth, we'd just like government to say, "We'll just take a little bit more time than we would normally."

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

CHURCH IN SOCIETY COMMITTEE
OF OTTAWA PRESBYTERY
OF THE UNITED CHURCH OF CANADA

The Chair (Mr. Pat Hoy): Now I ask the United Church of Canada and the society committee of the Ottawa Presbytery to come forward, please. Good afternoon. I'm sure you've heard, but you do have 10 minutes for your presentation. There could be five minutes of questioning. This time, it'll come from the NDP and Mr. Tabuns. I just ask you to identify yourselves for our recording Hansard.

Rev. Andrew Jensen: My name is Andrew Jensen. I am chair of the justice, ecumenical and global relations group, which is the umbrella group that the Church in Society Committee comes under. I'm appearing on behalf of Church in Society.

Rev. Laurie McKnight-Walker: I'm Laurie McKnight-Walker. I'm a member of the Church in Society Committee of the Ottawa Presbytery and a minister in Sandy Hill.

The Chair (Mr. Pat Hoy): Go ahead.

Rev. Andrew Jensen: Thank you very much.

This is the third time I've appeared before this committee over a few years. Typically, what I've done in the past is to come with a wish list, and it usually is one of those things where you folks look at it and you say, "How much is this going to cost?" I think that's always a fair question. We're doing something a little bit different this time. You should be getting from the papers that we brought a couple of different sheets, and I'm going to draw these to your attention. One of them is a two-sided paper that will bring some background information to what I'm saying. On one side, you see a short excerpt from an Ottawa Citizen article that gives some background on where we are coming from.

Our committee arranged for Dr. Jeffrey Turnbull, who's the head of the Canadian Medical Association, to come and speak to our presbytery. He did so, and what he did was give us some very inspirational thoughts about something that we had not really put together very well but that he did extremely well for us. He works with, and has worked with for quite some time—he's chief of staff at the Ottawa Hospital, but he also works with the Ottawa Inner City Health project. He was able to demonstrate to us how that particular project, through a relatively small spending of money, was able to help not only a number of people, but also to draw out of the costs of public health care in Ottawa about \$3.5 million. And that's after taking into account the money that was spent on the programs that this group is using.

The foundational part of this is to address the needs of people who are homeless, particularly people who are very fragile homeless, people who may be homeless in part because of mental health issues, because of drug addictions or alcohol problems; to provide them with a place to live in support; and, in doing so, to pull them out of the regular lineup at the emergency room, which, of course, also helps reduce the waiting lines that people are

always complaining about. He was able to make a very good financial case for this being an effective, practical way of spending a little bit of money to save a great deal of money for the province.

1520

I'm just going to pause for a minute here to let Laurie explain to you about one of the resources that we have available and that hopefully each one of you will be getting.

Rev. Laurie McKnight-Walker: I just wanted to keep before you the needs of those people living in poverty; a group that is increasing. Wherever there has been a book launch of the book *Persistent Poverty: Voices from the Margin*—and it has just been recently published. It was part of what is called a social audit. The last one was done maybe in about 2003 and it was sponsored by a group called ISARC, the Interfaith Social Assistance Reform Coalition. We had a social audit here in Ottawa in April, and they happened across the province, where people who were living in poverty came and told their stories on what it's like now compared to a few years ago. Many of those people were new to that category, unfortunately. Their stories—it's a powerful read—are gathered in this book, as well as theological reflection from the various faith traditions. For example, it indicates that in Peel region, if your name is on for social housing, it may be up to 21 years before you get into assisted housing. So, your children may get housing, but you won't.

You're supposed to be getting a free copy, those who are part of the Legislature. If you haven't, there is a phone number—I've given you that information about that book. We had our book launch at city hall this week, a couple of days ago. I suggest you read a chapter a night as bedtime reading to help keep the priorities of this upcoming budget.

Rev. Andrew Jensen: That's a very good resource. I don't know whether it's good bedtime reading in the sense that it may not help you sleep, but it is very, very interesting information and it is real; it is quite real. What we were inspired to do at the Ottawa presbytery level was to start a campaign called *Put a Roof on Poverty*. That's on the second side of the handout that was distributed. There's some basic information about Ottawa homelessness. I'm not going to go through those details; there are a number of places that you could put into your computer and click on for more information, if you would like.

I would simply like to add at this point, though, that we are aware of the complexities that go on when we deal across jurisdictions. Some things belong to the federal government; some things belong to the provincial government; some things belong to cities and so forth. In this instance, we understand that the best programs to help the homeless have to happen at a local level, but that the people who will be benefiting will be the people served by the provincial coffers.

What we would like to really encourage you to do is to give some incentive to the communities—the cities, the

towns—who have to deal with the homeless, who are the ones asking the questions about, “How do we deal with them? Where do we house them? How do we have homeless shelters that are sufficient?”; that you, as a province, give those people some sort of incentive to put together the kinds of programs like Dr. Turnbull's that will have the effect of saving the province money. It's very straightforward and practical from a numerical point of view; it's not simple from an organizational point of view. We get that. We also get that you can't come in from the province with a one-size-fits-all solution for Toronto, for Ottawa, for North Bay, for wherever. But if you give some sort of incentive, some sort of support, that doesn't only include building a building or retrofitting a building but also allows for a certain amount of ongoing programming, so that the people who are taken off the street have a chance to stay off and heal and not need the medical services so desperately, that is the kind of thing that will show really, really good results and save a ton of money in the end for the province. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you. We'll go to Mr. Tabuns of the NDP for any questions.

Mr. Peter Tabuns: I appreciate both of you taking the time to come down to give us this information and make the presentation. The arguments you've made have been made by quite a few people over the past five days.

When you've talked to the Minister of Housing or the Minister of Finance in the past—I'm going to assume they understood your arguments—what sort of response did they give you?

Rev. Andrew Jensen: In terms of this immediate thing, because—this is fairly recent. We had Dr. Turnbull come and speak to us just in the fall. This program that our own presbytery has started is just in the last few months. We have not had the opportunity to go directly to the minister and have those conversations yet.

In the past, there have been different ministers. My last effort involving housing particularly was back when the 1% housing solution was going on. Susan Eagle, whom you may recall, is the one who brought me to the first one of these meetings, and she was very much pushing for that one. I don't recall, because she had the meeting at that time, what the response was in those days, but that was a somewhat different argument and a different aim. We haven't had the chance yet.

I recognize that there are different budgets in different pockets. Hopefully, there's a way to cross those lines, to serve everybody. I guess the budget committee is one of the great places to start, because you get to look at all the pockets and you get to see the advantage of spending something out of the housing pocket to save some money in the health pocket. If there can be some communication internally on that, it would be wonderful.

Mr. Peter Tabuns: Your message is one that makes a lot of sense. I'm glad that you've brought it here today, as well as people having brought a similar message over the last few days.

I don't have any further questions. Thank you, Chair.

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

Rev. Andrew Jensen: Thank you very much.

The Chair (Mr. Pat Hoy): And thank you for the book.

OTTAWA-CARLETON DISTRICT SCHOOL BOARD

The Chair (Mr. Pat Hoy): Now I ask the Ottawa-Carleton District School Board to come forward, please. I noted you've been sitting at the back for a bit, so I suspect you know how this all will work. The questioning in this case will come from the government. If you'd just state your names for our recording Hansard, you can begin.

Ms. Jennifer McKenzie: I'm Jennifer McKenzie. I'm chair of the board.

Mr. Barrie Hammond: Barrie Hammond, director of education.

The Chair (Mr. Pat Hoy): Go ahead.

Ms. Jennifer McKenzie: Good afternoon. My name is Jennifer McKenzie and I'm the chair of the Ottawa-Carleton District School Board. With me today I have Director of Education Barrie Hammond.

We would like to begin by expressing our thanks to the members of the standing committee for allowing us, on behalf of our board of trustees, to have this opportunity to provide input into the budget process.

The Ottawa-Carleton District School Board is well aware of the challenges of the Ontario economy. The district also appreciates the commitment that this government has made to public education. However, we remain concerned about education funding and the gaps between the funding levels and actual costs, the discrepancies in funding between districts, and the fact that while total funding has increased, it has done so to cover new requirements rather than to address existing shortfalls, resulting in an ever-growing differential between funding and operating costs.

Mr. Barrie Hammond: As you know, in 1998, the Ontario government changed the funding of school boards, removing the authority for boards to set educational property taxes and replacing it with provincial transfer payments in the form of grants for student needs, GSNs.

The Ottawa-Carleton District School Board receives 91% of its funding from the Ministry of Education's GSNs, a further 4% from other government grants and the remaining 5% from other funding sources for specific purposes. The Education Act places severe restrictions on our ability to create other funding sources to address our budget priorities.

The provincial government sees school boards as a key service delivery channel. It continues to increase school boards' responsibilities in terms of student achievement and administrative processes. It does not provide adequate additional resources to meet the new responsibilities, thereby increasing school boards' budget

problems. Given our funding structure, we have to look to the province and the provincial government to solve this problem.

The Ontario Public School Board Association, OPSBA, recently submitted a brief to the Ministry of Education on funding, which is attached to this presentation as appendix A. This document provides an excellent overview of the funding challenges facing Ontario school districts. The Ottawa-Carleton District School Board endorses the submission made by OPSBA and would like to highlight some of the issues raised in the context of our particular concerns here in the Ottawa-Carleton region.

1530

Ms. Jennifer McKenzie: Under the heading "Salary gap": OPSBA, in its call for a review of the education funding model, explained that many school boards have salary grids which are more costly than the provincial average salary grids, creating a salary gap. As the current funding model becomes more prescriptive, these school boards have less and less flexibility and ability to deal with this sort of legacy expenditure issue.

The provincial government, since taking office, has added billions of dollars into education funding. Most of this has gone to funding new salary settlements and new initiatives such as the primary class cap and all-day learning, but not into addressing the compensation funding gap in the existing transfer payment system. While the government narrowed this gap by reducing grants in other areas of education funding a few years ago, a significant gap remains. Indeed, the last two rounds of provincially assisted sector-wide negotiations have increased the gap again, and it grows annually. School boards such as ours have funded the gap by using provincial grants nominally meant for additional or existing student resources, meaning that we must cut vital supports for students repeatedly. The government's multi-year budget plan, with its premise of restraint of transfer payments, will make this problem worse.

In particular, the Ottawa-Carleton District School Board has good reason to believe that our salary gap is one of the largest in the province. This structural funding issue has reduced the OCDSB's ability to meet existing student needs; indeed, the board has cut approximately 195 positions over the past five years as a result.

As we are sure you can appreciate, we have very few avenues available to address this structural issue at the school board level. A full review of the funding formula could address this issue. Such a review has been promised but not implemented. The OCDSB respectfully requests the support of the standing committee in seeking a review of the funding formula, with the goal of resolving the salary gap issue.

Mr. Barrie Hammond: Transportation: The funding of student transportation is problematic across Ontario, but in the city of Ottawa it's inequitable. The Ottawa-Carleton District School Board fully supports OPSBA in its request to review the funding of student transportation

and the delivery of consistent levels of service by school boards.

There are wide historic discrepancies in funding of transportation among the four publicly funded school boards in the Ottawa area. At the time the base transportation funding was established in 1998, the former Ottawa and Carleton school boards had not only introduced efficiency but also had reduced service levels for students to be significantly below those provided by the Catholic and French-language school boards in the area. Most of the funding for the English public school boards came directly from local property taxes, whereas the Catholic and French boards received most of their funding through provincial grants. For example, the Ottawa-Carleton District School Board does not receive sufficient transportation funding to allow busing for secondary school students inside the urban transit area, whereas the Ottawa Catholic school board receives sufficient transportation grants such that they are able to provide the service to its students.

Despite the provincial government's promises of transparency and accountability, this discrepancy has never been addressed, either through providing the Ottawa-Carleton District School Board with sufficient funding to support student service levels compared to those of our coterminous Catholic and French boards, or through introducing a province-wide, needs-based funding formula for transportation based on a common service standard. Our students are disadvantaged because we have insufficient funding to provide the same level of transportation services as our coterminous boards, and we ask that this disadvantage be rectified.

Considering English as a second language: OPSBA has questioned the adequacy of the current ESL funding model in its brief. The existing ESL grant system is based on each student's time in Canada. A student who has been in Canada more than five years does not generate any ESL grant, even if the student still has large ESL needs. The OCDSB spends \$1 million or more on ESL services than it receives in funding from the government. The problem is worsened by the changing demographics of recent immigration. More students come to us from situations where they have received little formal education, resulting in greater supports needed to allow their functioning in Canadian society. Ottawa has traditionally attracted a disproportionately high number of refugee and immigrant families. We need sufficient resources to provide education, their right under Ontario law.

We request the support of the standing committee in ensuring that the provincial budget provides funding to fully support ESL students according to their needs.

Ms. Jennifer McKenzie: May I ask how many minutes we have on the clock?

The Chair (Mr. Pat Hoy): About two and a half.

Ms. Jennifer McKenzie: Okay. We'll go a little more quickly through the presentation.

Under special education and children's mental health services: We understand that the government is looking at a new special education funding model. Our concerns

are generally that this is going to more of a per-student funding model than a funding model that is based on need, and we would like to see the needs of each individual school board addressed, as they are unique, we believe, from board to board, even within the same district. We also have concerns that we're going to be expected to cover the very broad and very fulsome area of children's mental health, and would need to see additional funding to support the service if that, indeed, is an expectation of school boards.

And then under full-day kindergarten?

Mr. Barrie Hammond: The OPSBA brief highlights the fact that full-day kindergarten is currently funded to a specific level based on predicted enrolment determined by the ministry. School boards, such as ours, have responded to community demand that exceeds that fixed level determined by the ministry, and therefore it has cost boards money from their own budgets to support that additional cost.

The provincial government has launched an important new program regarding full-day kindergarten. This major undertaking is being phased in over five years. School boards are mandated to staff the programs at a level that exceeds provincial funding for these positions, increasing the drain on other grants.

Concerning capital projects, OPSBA clearly lays out the major issues with the capital grants system used by the provincial government. In our district, we have some high-level growth areas, some low-level growth areas and areas experiencing a temporary decline in student population, but existing school spaces will be required over the long term. These competing capital pressures to build new schools in the new suburbs create additional problems for our budget pressures.

We have a renovation backlog of approximately \$300 million, plus the need for multiple new schools in growth neighbourhoods. These pressures are further compounded by the provincial Accessibility for Ontarians with Disabilities legislation.

Ms. Jennifer McKenzie: So in summary, we recognize that the provincial government has a multitude of competing needs and reduced revenue. There are many demands on provincial finances. We remind the committee of the ongoing identification of education as key for a successful economy and a priority for this government, as we have seen. We agree that public education is a priority and we would like to see that represented in the provincial budget.

We thank you for your time and attention and would be happy to answer any questions that you may have for us.

The Chair (Mr. Pat Hoy): And the questioning will come from the government side. Ms. Pendergast.

Ms. Leeanna Pendergast: Thank you, Jennifer and Barrie, for being here today on behalf of the Ottawa-Carleton District School Board. Thank you for the work that you do on behalf of the school board and the work that you do with our colleague MPP Naqvi from Ottawa Centre, who works closely with you and is also the

parliamentary assistant to the Minister of Education, so we do understand and hear your concerns. MPP Flynn is also a parliamentary assistant to the Minister of Education, so your concerns are being heard. I am a past parliamentary assistant to the Minister of Education, before Finance, so I think we can assure you that we hear you.

Thank you for presenting. We've heard across the province from various groups—teacher organizations, different districts across the province, elementary teachers, secondary teachers—but this is the first from a school board, so it's important that we get all of the perspective.

I always work backwards in the brief—

Ms. Jennifer McKenzie: We heard that.

Ms. Leeanna Pendergast: Yes. I can't help myself. But I appreciate your comments—the ongoing identification of education as a key issue for this government. This government is absolutely committed to education and to maintaining our public services, which we saw really destroyed under previous governments. That's what I'm doing sitting here with you today, because I was a teacher during those years.

I also wanted to talk about children's mental health services—brilliant comments on that, thank you. MPP Flynn was also the chair of the government's committee on mental health, and we're hearing consistently across the province the need to invest in children's mental health services. I'm not sure how that looks from a school board perspective. I know it's complicated, because we're hearing it from other groups and organizations other than education. How does that work in terms of partnerships with a board and other community groups, agencies and organizations?

Ms. Jennifer McKenzie: We have been looking at this issue and studying it quite extensively. We've been working with community partners, so, for example, we have addiction counsellors in all our high schools now, where we didn't before.

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But to do a comprehensive solution will require some investment, is what we're saying. We can't go back to our existing structural take-a-teacher-out-of-the-classroom, for example, to provide services in the schools. It will require additional investment.

Ms. Leeanna Pendergast: Absolutely; fair enough. And you're right: We can't go back. Well said.

The full-day kindergarten: We're hearing support for that, of course, from educators as well as from anti-poverty groups across the province—the idea that to combat poverty is to focus on education and the idea that we have to start as early as possible. Again, that's something that will continue to develop, as you know.

Ms. Jennifer McKenzie: With all-day learning, I think the way that it has been phased in, into highest-needs neighbourhoods first, is indeed the way to go in terms of those children getting maximum benefit from the program.

Ms. Leeanna Pendergast: I had a question about the ESL—

Interjection.

Ms. Leeanna Pendergast: Oh, and I have another quick question, too. I should hurry, because the Chair is going to cut me off. It's about the LNS, Literacy and Numeracy Secretariat.

Quickly, about the ESL: the high number of refugee and immigrant families. Again, we're hearing about groups around the province working on partnerships, working with community groups, colleges, family supports, advocates to try to put those services in place for students. Is that something that you're talking about?

Ms. Jennifer McKenzie: I think we do do that, to a large extent. However, if you have a student who comes into a school board from another country or a refugee camp—for example, we have high school students or even adult students who have not had an elementary school education. It's very much pedagogical and it needs supports from the school system over and above the basic ESL grant. For these very, very high-needs students, we are putting services over and above the ESL amount towards meeting these students' needs. Without it, they really cannot function in the society that we have in Ontario.

Ms. Leeanna Pendergast: They're classified as high needs.

Ms. Jennifer McKenzie: Very.

Ms. Leeanna Pendergast: Well done. We're hearing the salary gap pay equity piece that you're addressing. In order to address that, we've been told we should take funds out of the LNS or out of EQAO. Have you had or heard anything of those discussions?

Ms. Jennifer McKenzie: From where I sit, and Barrie may see things differently, it's a structural issue. It needs to be looked at as a structural issue across the province, because there will be schools with a large salary gap and there may be schools with a small salary gap. What we need to do is get everybody on the same grid if we're going to fund everybody the same amount. It's something that needs to be looked at as a structural issue.

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

OMNI HEALTH CARE

The Chair (Mr. Pat Hoy): Now I ask OMNI Health Care to come forward, please. Good afternoon. You have 10 minutes for your presentation. The official opposition may ask up to five minutes of questions. I just ask you to state your name for our recording Hansard.

Ms. Carolyn Della Foresta: Carolyn Della Foresta.

The Chair (Mr. Pat Hoy): And you can start.

Ms. Carolyn Della Foresta: Good afternoon. I would like to thank you for the opportunity to speak before you today. My name is Carolyn Della Foresta and I'm the administrator at OMNI Health Care, Garden Terrace. We are located in Kanata, just on the outskirts of Ottawa.

Garden Terrace is one of 17 long-term-care homes owned and operated by OMNI Health Care. We are privileged to be the home of choice to 160 of our province's seniors. Our home offers 80 private rooms and 40 two-bed basic accommodation rooms. We were constructed in 2003, and therefore we are built to the newest design standards for long-term-care homes in Ontario. We employ approximately 175 staff, and each member of our team works tirelessly to provide the highest quality of care for the residents entrusted to us. Whether you are a registered nurse, a food service worker, a housekeeping aide or the administrator, we firmly believe that every role has a distinct purpose and that there is nobility in each as we come together to make Garden Terrace a home for our residents.

Garden Terrace is part of the Champlain LHIN and we are a member of the Ontario Long Term Care Association. OLTCAs represent over two thirds of Ontario's long-term-care homes, covering the full spectrum of not-for-profit, municipal, charitable and private sector operators.

Today, I seek your support to ensure that homes like mine will be able to continue to provide high-quality care and accommodation and help maintain access to long-term care for all Ontarians. Not only do we provide high-quality care in a home-like environment, but we also provide a rich assortment of programming. In order to continue to provide the quality of care that our residents deserve and have come to expect, as well as assist them in achieving the highest quality of life possible every day, we depend on a diverse team. This team is comprised of nurses, personal support workers, life enrichment staff, food service workers, laundry and housekeeping staff, maintenance personnel and numerous others, all of whom are an integral part of our residents' continuum of care.

Garden Terrace incorporates a courtyard design and captures the essence of home. The main entrance of our building leads directly into our lobby and café, which are warmly decorated, featuring a fireplace surrounded by two storeys of windows looking out onto our lush secured courtyard with outdoor seating, trees, shrubbery and assorted flower and vegetable gardens. Our café is a constant hub of activity. It's a gathering place where residents from 10 of our different home areas come together to visit or take part in one of our many diverse programs that our life enrichment department offers. The other day we had over 40 residents gathered, having the time of their lives as they threw foam snowballs at one another. The idea for such an activity came from one of our discussion groups, where one of our gentlemen, confined to a wheelchair and not able to get outside, reminisced of his younger days. He told us how much he missed snowball fights.

Our five-storey home features two neighbourhoods per floor that incorporate natural paths that guide wandering residents back to destinations and points of interest that will encourage social interaction and help maintain independence and purposeful mobility.

We have secured living areas for residents with special needs or cognitive challenges. We have harvest rooms for private family dining and activity areas. Each of our living areas features sunrooms, family and living rooms as well as access to fresh air on our secure outdoor terraces. We are located within minutes of hospitals with acute care services and we provide a number of programs that continually promote interaction and improve resident quality of life. From active social and recreation programs to physiotherapy services, our home provides residents with many opportunities to get involved and stay active.

We provide personalized and group exercise programs for residents; physician services and 24-hour-registered-nurse on-site care. At Garden Terrace we have a short-stay bed program with six of our 100 licensed beds. We have tasty and healthy meals, snacks and beverages that are all planned by registered dietitians who carefully adhere to ministry standards and Health Canada's food guide, as well as taking into account the unique dietary needs of our senior population. We have separate dining areas for meals with families; we have the OMNIway van for off-site excursions. We have an active residents' council and family council to give our residents and families a voice in care decisions, as well as a greatly increased role in providing input into decision-making at our home. We have a chapel, a beauty salon, theatre, café and exercise room. We have music therapy. One of our best programs is our intergenerational programming. We're fortunate to have a high school right beside our home; it's a joint venture with them. Wii programming is one of our resident favourites, especially the bowling; wine and cheese socials; pet therapy; spiritual programming—I truly could go on.

My residents are like many others in the province. We have a significant percentage with a psychiatric disorder, Alzheimer's disease or other forms of dementia. One of OMNI's core programs, which we're very proud of, is our supportive measures. At Garden Terrace, we have specialists who offer ongoing support to staff, residents and families in an effort to provide individualized care that meets the very specific and unique needs of each resident who suffers the ravages of these crippling diseases.

The resident who suffers from Alzheimer's or some other form of dementia requires individualized, sensitive care, as their needs differ from those of the majority of our resident population. Our funding is based on a geriatric model. We've seen a lot of challenges in the past few years with the closure of the Rideau Regional, as well as the Brockville Psychiatric Hospital. We saw an increase of serious behavioural issues in the residents we were placing within our long-term-care homes with our vulnerable senior population.

When we close one part of the system, the impact is felt elsewhere, and it's been a tremendous challenge to place these residents amongst our senior population. Their needs and care requirements are dramatically different. This group of residents requires a different model

of care and often a different skill set. We require more time to meet their psychosocial as well as their physical needs.

Many of our residents are incontinent—91% in Garden Terrace. They require staff to assist with toileting. Many require assistance with all activities of daily living from dressing to bathing to eating. Residents today have increasingly complex needs. Many are admitted with multiple diagnoses. As a reflection of our society, we also have a number of residents with bariatric needs. Meeting the residents' bariatric needs requires extra time, staffing and specialized equipment which can be up to twice the cost, and quite often more; for example, beds, lifts and commodes for the bariatric population.

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The year 2010 was a very busy year for Garden Terrace. We had to become familiar with and implement the new Long-Term Care Homes Act and its regulations, as well as the contents of the new L-SAA, long-term care home service accountability agreement. We continue to learn the new resident assessment tool and to educate our staff as we implement Residents First and its quality initiatives. Please be assured we are committed to providing a quality service, but the additional burden of implementing all of the new service and reporting requirements has exacerbated a funding gap that has existed for the past many years.

I would like to take this opportunity, though, to applaud the government's commitment and support of the Residents First initiative. I have had the pleasure of working in long-term care for over 20 years, and I can personally attest to the changes in both our understanding and our expectation of quality. These changes have positively impacted the care we provide our seniors and the quality care our residents so richly deserve.

I am concerned about my team. We do not have sufficient ongoing funding to pay for the regulation that increased food service worker hours by 0.03 per week, as well as the increase to the nutrition manager staffing. That new regulation alone has placed 60 additional hours in my home.

Although I support changes, because they will enable an even higher quality of care for my residents, they must be funded. Without a guarantee of funding for these additional regulations by law, it will come at the expense of other critical members of my team, such as our house-keeping, laundry and maintenance staff. With a reduction in their hours for these valued staff members, there will be an increased risk of infection, outbreak and emergency room transfers. You can be assured residents will be affected.

We cannot continue to deliver the high-quality care without adequate funding. We are requesting that the government:

- fund fully the costs of implementing the new Long-Term Care Homes Act;

- continue to fund an acuity adjustment across all envelopes, so that we can maintain the team that cares for

our residents. The province annually adjusts direct care funding to homes by approximately 2% to support care delivery and stabilize staffing levels. Without this adjustment, homes have no capacity to offset arbitrated settlements or manage the normal acuity-driven fluctuations to their care-funding base;

- fund the unprecedented 17% increase in WSIB costs that were implemented as of January 1, 2011; and

- fund the increased cost of hydro, other utilities and service contracts that I now have as a result of the harmonized sales tax.

The new Long-Term Care Homes Act is putting increased pressure on homes to admit residents with more complex medical conditions, with increased behavioural issues and higher infection control risks. Without adequate funding, staffing levels decrease and service will deteriorate. For a 100-bed home in Ontario, these job losses could be five full-time equivalents, FTEs, and across the sector, 3,500 FTEs.

On \$110 a day in funding from the government, we have been providing a high quality of care, exciting programming and nutritious meals in a home-like environment. We provide great value for money but we are challenged to continue to cope. We are at critical risk of slipping backwards, to the detriment of both the residents' care and those who need access to hospital services. This budget can prevent that outcome.

I would be happy to welcome you to Garden Terrace at any time to see the great work that we do, to visit with our residents and meet our committed employees. Today, I seek your support to ensure that long-term-care residents in my community 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.

Thank you for your time.

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

Mr. Toby Barrett: Thank you for testifying on behalf of Garden Terrace and the OMNI organization. You mentioned Rideau Regional/Brockville closing down. When did they close down? Secondly, do your patients have access to psychiatrists, psychiatric social workers, psychiatric nurses and specialized medication? How do you do that?

Ms. Carolyn Della Foresta: We're actually incredibly fortunate. As to the actual closing dates of both facilities, I can't answer on that. I apologize. But we have been placing for approximately four years now residents from Rideau Regional, specifically, as they're trying to place them in different parts of the sector. So for four years now, we have been placing residents from Rideau Regional, and we have had some support from the Ministry of Community and Social Services.

We have a wonderful partnership. We're fortunate to have a partnership with the Royal Ottawa Hospital. We have access to psychogeriatric nurses as well as a psychiatrist from the Royal Ottawa who comes to our home

once a month and partners with us to work specifically with the serious behavioural issues that we are seeing.

Mr. Toby Barrett: Okay. The new Long-Term Care Homes Act: You talk a bit about the forms to be filled out and you mentioned a resident assessment tool. Does not the community care access centre do the assessment? Do you have to duplicate their assessment?

Ms. Carolyn Della Foresta: Absolutely. Within so many hours of being in our home, we have to have all assessments redone. So the community care access centre is handing to us an initial assessment of the resident before they come to us, and that's how we determine if we can meet their needs. Then, once they're in our home, within 24, 48, 72 hours and then two weeks, every assessment, from skin assessments to behavioural assessments and dietary needs, has to be redone and we have to come up with a very tailored and specific care plan for each resident.

Mr. Toby Barrett: Okay. You talk about the additional burden. Is there any way, say, apart from the assessment, that any of these other new reporting requirements could be streamlined?

Ms. Carolyn Della Foresta: I think the Residents First initiative that's going on right now and all of the quality initiatives that go along with that are going to help us streamline eventually, but I think that's a good two- or three-year process as the sector is still getting used to the whole RAI assessment tool, and then there is the public reporting that we'll all have to be doing by December with all of our quality indicators. So I feel we will get there, but at the moment there's not much streamlining.

Mr. Toby Barrett: Okay. A 17% increase in WSIB: That must apply to every single long-term-care facility in the province?

Ms. Carolyn Della Foresta: Absolutely: 17%.

Mr. Toby Barrett: Has there been a tremendous increase in back injuries and things like that?

Ms. Carolyn Della Foresta: Actually, no. At OMNI, for example, over the past seven years, we've gone from paying upwards of \$1 million in NEER statements to just yesterday, when we were informed of a refund cheque of

\$250,000, so actually our back education, our reduction in MSI injuries, it's all dramatic. We're doing incredibly well. At the same time, our staff have very large burdens placed on themselves physically as the care of the residents is increasing. But no, I would say we've been working incredibly hard in regard to safety and taking care of staff.

Mr. Toby Barrett: You would almost think the WSIB premiums would go down. That's something for us to deal with, I think.

Ms. Carolyn Della Foresta: I can't quite comment on that.

Mr. Toby Barrett: Your homes would pay the HST, whereas the municipal homes do not. Is that how that works?

Ms. Carolyn Della Foresta: That is my understanding, yes. For example, at Garden Terrace alone, the HST on our utilities will be an increase of \$14,000 this year.

Mr. Toby Barrett: Okay, and the 2% acuity, is it, the \$110 a day—that goes up 2% each year, or has been going up 2%. Is there a relationship between that—I just wonder. You receive \$110 a day in funding per person, and annually the province adjusts funding by 2%.

Ms. Carolyn Della Foresta: My understanding of that is that it's for staff increases as well, with wages, but I apologize; I can't give you 100%—

Mr. Toby Barrett: Okay. Thank you.

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

That concludes our tour portion of the committee. I want to thank all of the support staff for an excellent job. I also want to thank our co-op student, and also mention that our clerk is on her first tour and she has guided us very well throughout, so thank you, and thank you to all others.

We will leave for the airport at 4:45. We'll meet at the hotel's main lobby, and of course if we can we'll leave before that, but we're looking at 4:45 at least.

Therefore, we are adjourned until 9 a.m. on Monday, January 31, in Toronto.

The committee adjourned at 1557.

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Also taking part / Autres participants et participantes

 Mr. Phil McNeely (Ottawa–Orléans L)

Clerk / Greffière

 Ms. Sylwia Przewdziecki

Staff / Personnel

 Mr. Larry Johnston, research officer,
 Legislative Research Service

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