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**Wednesday 15 January 2014**

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(Hansard)**

**Mercredi 15 janvier 2014**

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 15 January 2014

Mercredi 15 janvier 2014

*The committee met at 0900 in the Best Western Plus Otonabee Inn, Peterborough.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Kevin Daniel Flynn):** Okay, ladies and gentlemen. Let's call to order. We've got the pleasure of being joined this morning by Minister Jeff Leal, MPP from Peterborough. Jeff, you'd like to welcome the group, I understand.

**Hon. Jeff Leal:** Thank you very much, Chair Flynn. It's a delight to have you come to Peterborough this morning, and certainly the Standing Committee on Finance and Economic Affairs. All of us truly appreciate the great work that various committees do as part of the overall legislative framework in the province of Ontario. Deliberations of this committee are always particularly important. You'll be hearing lots of views on a wide variety of issues, certainly, from deputants from the riding of Peterborough and beyond. I welcome Laurie Scott here this morning

I want to bring you greetings on behalf of the warden of Peterborough county, my good friend J. Murray Jones, and His Worship Mayor Daryl Bennett, the mayor of the city of Peterborough. I know both those individuals are particularly pleased that the standing committee is making a stop in the wonderful riding of Peterborough, which includes the city and county of Peterborough.

I know you've got a lot of work to do and there are many wonderful people behind me who eagerly want to make presentations to the committee today. So with those introductory words, welcome.

I was told you don't have a lunch today, but Michael Prue knows one of the great spots to eat in Peterborough, the Ashburnham Ale House, just a stone's throw from my home on Hunter Street East in this community, across a great bridge that has standing in the British Commonwealth. So if you do get a chance, just follow Mr. Prue and he will take you to a great spot. I know he's a connoisseur of craft beer, which they have right there. He was there a couple of months ago, just to tour the place.

Thank you very much, everyone, and enjoy your time in Peterborough. Have a great day.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jeff, and thank you for taking the time to come this morning.

**Hon. Jeff Leal:** If Mr. Fedeli's looking for six pictures of me, they'll be in the Peterborough Examiner this morning. Keep looking. They're there somewhere, I can assure you.

**Mr. Victor Fedeli:** I've got to look again.

**Hon. Jeff Leal:** Look again.

**The Chair (Mr. Kevin Daniel Flynn):** Michael Prue is the Pied Piper of craft brews? Is this true?

**Mr. Michael Prue:** I don't know. I admit, I did go to the Ashburnham Ale House, and it had wonderful, wonderful food.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, let's call forward our delegations and get the show on the road, as they say.

ONTARIO ASSOCIATION OF RESIDENCES  
TREATING YOUTH

**The Chair (Mr. Kevin Daniel Flynn):** Our first delegation this morning is the Ontario Association of Residences Treating Youth: Mark Williams.

Just in the interim, if everybody would check their phones and make sure that their phones aren't going to go off in the middle of somebody else's presentation, that would be great.

Mark, you've got 15 minutes. Use it any way you see fit. If you'd like to leave a little bit of time at the end, the questioning will come from the Conservative Party. It's all yours.

**Mr. Mark Williams:** Thank you very much, and welcome to Peterborough. My name is Mark Williams and I am representing the board of directors for the Ontario Association of Residences Treating Youth. I'm also the operator of the Hollyhawk group, which is a private provider of residential treatment and foster care located in the Kawartha Lakes and Peterborough area.

The Ontario Association of Residences Treating Youth is a provincial association. We represent over 70 member agencies from across the province that provide high-quality residential treatment to children, youth and young adults—almost 3,000 individuals a day. Our members mainly provide service to children and youth in the care of children's aid societies. The children's aid societies also run internal residential programs, but when they are unable to meet the needs of certain children and youth, they will seek out outside expertise from members

such as ours to provide such services to those children and youth.

Our second most common group of individuals that we serve are developmental services clients. These are young adults. Similar to the children's aid society, if their needs are not able to be met in the transfer payment sector, they will seek out outside expertise through our membership. Many of the young adults in our care have grown up as children and remain in those homes as adults.

The presentation today is going to talk about money, because this committee does focus on the budget. That's always an uncomfortable topic when you're talking about children and youth—in particular, people with special needs.

We're stating explicitly here and trust that you understand that our mandate is to provide top-quality service to children and youth. We're going to talk about money, but that's not what our focus is. Our hope is that throughout this presentation, you'll keep that in mind.

Moving on to the money component. As you know, the province has a significant deficit and a \$300-billion debt. The Drummond report called for, in pretty strong language, to use the private sector when equal service can be found at a lower cost. Unfortunately, to this point, MCYS has not responded to that challenge in any meaningful way.

We've met extensively with the civil service, which agrees that there is a strong need to look at reducing costs and understands that our services are, in fact, much cheaper and are definitely of equivalent quality. However, they have stated clearly that without political direction, they are unwilling to act on the need to reduce costs.

I'm going to talk about a couple of proposals that we have in front of MCYS and MCSS. The package that you have in front of you has a series of proposals that gets into things like enhancing quality, but I understand that that's not particularly the focus of this committee.

The main proposal we want to discuss is for government to complete an apples-to-apples comparison of the cost, comparing the transfer payment sector of residential care with the private sector of residential care. We've been requesting that for a number of years, and we believe there are substantial savings for the province in this time of austerity, if that information was determined and then acted upon.

In support of this—we've been asking for this for a number of years—in November of last year, Niagara family and children's services for the first time publicly announced that what we've been proposing all along was, in fact, accurate, and they would save substantially by divesting their internal residential programs and seeking out private sector solutions. In the Tribune back in November, the executive director was quoted as saying that by closing one program, they would save \$1 million to \$1.5 million, which doesn't seem like much, but there are over 40 children's aid societies, and some have 12 programs alone.

There are substantial savings to be seen here, and they announced that they would save \$50,000 per year, per child, by seeking out private sector solutions and that there would be no reduction in the quality of care. In some cases, the quality would be improved. So \$50,000 a day per child: While we recognize that not every child in the care of the children's aid society would need a residential program, there are over 20,000 children in the care of the children's aid society. These numbers are not insignificant. The savings are quite remarkable, potentially.

Similarly, we see substantial savings by divesting the cost of foster care. Currently children's aid societies are mandated to provide protection. They're mandated to do adoption. What's happened over the years is they've developed massive internal foster care systems that are very expensive. We believe that through this apples-to-apples comparison, the true cost will be determined, and that there's easily \$100 million to be saved here. Again, the private sector is already providing care to a quarter of these children. We believe that the higher that percentage, the more the province can save, and the quality of service will be equal, if not better.

#### 0910

Moving on to MCSS: As you've probably heard, there is a huge waiting list. Some 23,000 individuals are on wait-lists for various services—not all residential services, but various services. We understand that the Select Committee on Developmental Services is meeting this week, and we have representatives presenting at that committee, but our presentation is very similar to that of the children's aid society's. We are providing matching service for the clients whom the transfer payment sector is unable to care for now, and we're doing it at a greatly reduced cost.

To reduce that 23,000-person waiting list is going to take some funding, it's going to take some money, and we would suggest that the government would get more bang for the buck, for lack of a better word, by seeking out private sector solutions. Our members have programs ready to go.

Our per diem costs that we're funded through require no capital expenditure on the part of government; that is the responsibility of the operator. As these 23,000 are found service, one solution could be to create massive government-funded entities. We would suggest that the government allow the private sector to continue providing care to this group, but expanding that percentage. We think that's the best way for government to maximize the use of what are fairly limited dollars.

Finally, to allow some questions, I just want to point out that one of our other proposals is around enhancing standards. Our membership believes strongly that the current licensing standards for children's residential placements are not sufficient. We've been advocating strongly for higher standards through independent third-party accreditation. There are international accrediting bodies that our members have sought out voluntarily, and have sought higher standards than those of the children's aid society-operated entities.

We would encourage the government—and I know that that's not really the mandate of this committee—to point out that we are seeking higher standards for our sector, and encourage MCYS and MCSS to adopt independent third party accreditation as a mandatory piece. Thank you very much for your time.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Mark. You've left about five minutes for questions. Laurie?

**Ms. Laurie Scott:** Thank you. I'll just quickly say thank you very much for coming forward. I've met with your group in my office. I can vouch that you provide very good services. I certainly like your presentation. It's moving in the direction I like to see things move in. I know that our finance critic wants to get into the nitty-gritty of the details of the financing with you, but I just wanted to compliment you on the services that you do provide in the area of Kawartha Lakes. I'm representing that, close to Peterborough, so I just want to thank you for that and let Vic, our finance critic, do the details.

**Mr. Mark Williams:** Thank you very much.

**Mr. Victor Fedeli:** Mark, thank you, as well, for the presentation. I wish we had so much more time, because your seven points look to be very well thought out and very well delivered. So thank you for the presentation, and thank you for the service that you perform, as well.

You talked a little bit about MCYS, and the fact that there's a quality of care that can be improved and a saving of \$100 million. Why do you think that that hasn't been done?

**Mr. Mark Williams:** That's a question that we get asked a lot, and we honestly haven't come up with an answer that we can prove definitively. As I mentioned, the children's aid societies initially had a mandate of protection and adoption. Over the decades, they've been allowed to expand that into quite a substantial operation that includes residential programs and foster care programs, well beyond what the initial mandate was. I think that, once that's developed, it's pretty hard to change, and it would take a substantial change in culture at the children's aid society level to fix that.

**Mr. Victor Fedeli:** The Niagara example that you use is quite remarkable. You're talking about a savings of \$1 million to \$1.5 million. That's one program in one community—one CAS, as well. Is this the kind of number that you think would reoccur in others if this were replicated elsewhere?

**Mr. Mark Williams:** Yes. We see—

*Interruption.*

**Mr. Mark Williams:** The \$50,000 a year per child—the number is actually low, because they're keeping the building and they're repurposing it. That doesn't even include the operational costs to operate the structure, or the capital costs, so \$50,000 a year is a low number.

All the numbers that we've seen about developmental services—the number is quite similar. We would see that as a savings—a number that could be used, going forward, for sure.

**Mr. Victor Fedeli:** A second one on the MCSS: You talked about the fact that there's no capital expenditure as well. That's a considerable advantage.

**Mr. Mark Williams:** That's correct.

**Mr. Victor Fedeli:** That's a considerable advantage in this program. Does that replicate on the MCYS model as well?

**Mr. Mark Williams:** Yes. Our per diem is all-inclusive of capital. It's the responsibility of the operator to manage and purchase and look after the building.

**Mr. Victor Fedeli:** What do you think capital expenditures would be traditionally? The model that we're operating today under MCYS and MCSS: What do you think they're spending on capital? Have you got any idea? Is this something that you've investigated? Is it in the hundreds of millions?

**Mr. Mark Williams:** Oh, yes. Yes, I would say \$100 million would be a valid number, but it isn't something that we've looked at definitively.

**Mr. Victor Fedeli:** Probably a good argument for you to investigate the capital expenditures that have been made or are planning to be made that would not have to be made by the government. It might be an interesting angle for you.

**Mr. Mark Williams:** Yes.

**Mr. Victor Fedeli:** You had seven points. What have you got—a minute left?

**The Chair (Mr. Kevin Daniel Flynn):** You've got just under a minute.

**Mr. Victor Fedeli:** Of those seven points that you couldn't—

**Ms. Laurie Scott:** Doug.

**Mr. Victor Fedeli:** Oh, Doug's going to ask you a question.

**Mr. Douglas C. Holyday:** I'm pleased to see your train of thought. At the city of Toronto, we were looking at matters, and what we were trying to do was get independent consultants, if you like, to take a look at the situation on service delivery and review how we do it to see if we could come up with efficiencies, just like you're speaking of. It might be that just because something is done the same way that it has always been done, it doesn't necessarily make it the right way. It's not to be anti-anybody, but we should review the services periodically. I think it's time we did it. Now I'm going to try to propose a member's motion in the House in this respect and, hopefully, get the support of all parties to review service delivery to see if we can't do things better. I think that what you're proposing here is one of the things that could be looked at.

**Mr. Mark Williams:** I think—

**The Chair (Mr. Kevin Daniel Flynn):** You're just going to have to leave it there, unfortunately.

**Mr. Mark Williams:** Okay. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning. I appreciate it.

**Mr. Joe Dickson:** Mr. Chair, can I ask a question through the Chair?

**The Chair (Mr. Kevin Daniel Flynn):** About what?

**Mr. Joe Dickson:** Just one of the issues raised by the gentleman.

**The Chair (Mr. Kevin Daniel Flynn):** No, I'm afraid not, Joe, unfortunately.

**Mr. Joe Dickson:** Well, then, through you to the Clerk, could I ask the Clerk to contact Mark? I would love to see more information and attach to—

**The Chair (Mr. Kevin Daniel Flynn):** Okay, that's fair.

**Mr. Joe Dickson:** —that comes forward in reference to the potential change of culture in CAS, under a recap. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Anything else you have, Mark, that you'd like to send us, Mr. Dickson and the rest of us would like to have it.

**Mr. Mark Williams:** Okay. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Joe.

#### KAWARTHA CHILD CARE SERVICES

**The Chair (Mr. Kevin Daniel Flynn):** Okay, let's move on to Kawartha Child Care Services. Sheila Olan-MacLean, the executive director, is with us. Come forward, Sheila. Make yourself comfortable. Fifteen minutes, like everybody else: Use that any way you see fit. If there is any time at the end for questions, it will come from the NDP.

**Ms. Sheila Olan-MacLean:** Good morning, everyone. My name is Sheila Olan-MacLean, and I'm the executive director of Kawartha Child Care Services. Our headquarters are in Peterborough. However, we serve over 1,000 families and children in the city of Kawartha Lakes, the city and county of Peterborough and the region of Durham.

If you look on the back of the folders that I have given you, it details our mission statement, which is that we are "a progressive, non-profit organization where adults and children work collaboratively to provide excellence in early learning and care. The richness and uniqueness of our learning environments are an invitation to discover together the joy of learning."

We have a vision of a place where children are treated as citizens of today. I think we talk a lot about citizens of tomorrow, but really, they're citizens of today and they deserve the respect of us today. We also have a vision where the principles of democracy are how we work day-to-day in our classrooms.

**0920**

I'm here today to focus on recommendations for building a quality, accessible, affordable early learning and child care system in Ontario. I want to say that we're well on the way. We've built some foundational kind of things in our province, and we want to build on those.

The economic and social benefits of quality child care have been well documented, and I'm not going to go into those today except to highlight that we have lower poverty rates, higher employment, higher school achievement, brighter outcomes as adults and less delinquency

and incarceration as outcomes. In addition, we can look at the parent outcomes for today: They are less stressed, they're more attentive at work, and they make more money. These are all things that are good for our economy and good for our province.

All of these achievements are in a system that, when the financial records were analyzed in Quebec, actually made the province money in higher taxes due to people working and paying consumer taxes. So there are lots of good reasons for developing our system.

The province of Ontario has taken steps in recent years that I wish to acknowledge and applaud you for. The recent introduction of the Child Care Modernization Act promises to recognize the importance of early learning and child care and set the foundation for a cohesive, modern system that we can be proud of. The act sets out principles of care that honour children and families as capable and competent and provides a framework to establish Ontario's position not in last place, as it is now, but as a world leader in early learning and child care. This is indeed progress.

In the budget deliberations last year, the Liberals and the NDP negotiated an agreement for funding with the aim to stabilize child care. As a child care operator in this province, I can say that it has been successful. In 2014, we will see more fee subsidy available to families in financial need. We will also see higher operating grants that will help us to increase staff wages, address health and safety concerns, and stabilize our parent fees. This has helped, a little. It has stabilized a system that was at risk. However, there are some steps and funding that need to be provided and that need immediate and vital attention. I'll go through those.

The first area is wage equity for all RECEs in Ontario. Full-day kindergarten has increased the demand for registered early childhood educators in Ontario. This, of course, was a welcome circumstance for our professionals. Another welcome outcome was that school boards actually received funding to meet the pay equity wage threshold. As a result, RECEs are hired in the full-day kindergarten programs, and they make an average of \$25 an hour. Their counterparts in the early learning and child care field are making less than \$17. Imagine the challenge of recruiting RECEs for lower wages, more hours and fewer benefits. This discrepancy is affecting our programs. Child care programs are finding it increasingly difficult or impossible to recruit registered early childhood educators. Because of the lack of supply staff, our supervisors are often working in classrooms to meet ratios. This in turn affects other aspects of their responsibilities, such as accounts receivable. With child care rates reaching unaffordable limits and family incomes actually decreasing, this has a spiralling effect on our programs and on the financial viability and sustainability of even the most vibrant and healthy organizations, such as Kawartha Child Care Services.

My recommendation for your consideration today is that the province of Ontario provide funding to child care programs to address the inequities in wages created with

the introduction of full-day kindergarten through direct grants aimed at increasing RECE wages.

The second issue that I wish to bring to your attention is rent for child care programs in schools. “Schools first” has been a principle of many government initiatives for early learning and child care over the past eight years. Initially, the community-use-of-schools funding which was provided through the ministry of recreation and tourism to school boards was used to offset the cost of keeping the schools open for longer hours. This funding paid for custodial staffing and utility costs that resulted from having child care open from 7 a.m. to 6 p.m. This practice began to change about five years ago. While other community programs continued to be able to have space free of rent, child care programs started to be charged for rent. Some of this rent is a nominal fee and certainly is affordable; other school boards are actually charging upwards, towards commercial rates.

The rent issue has caused dissension in the child care-school relationship as child care programs struggle to meet the new expense of an already overburdened budget. Just at a time when we’re thinking, “Oh, we could increase our staff wages; we can stabilize our fees for families,” then we get a new set of costs.

My recommendation for your consideration is that the province increase funding to school boards to cover the cost of custodial hours and utilities required for keeping schools open longer to accommodate the child care hours of care.

My next recommendation has to do with accountability for the new funding formulas and the new funding that’s available through the municipality and the school boards. The new funding formula, implemented in 2013—again, another positive change to funding in early learning and child care. The complicated and cumbersome funding formulas are gone and we have a streamlined funding model that allows municipalities to engage in planning, developing and implementing early learning and child care according to the needs of their community.

School boards also receive some funding for early learning and child care. The child care capital retrofit funding provides funds to support child care programs to make renovations, retrofits, and to purchase toys and equipment required for younger age groups. This is in schools as full-day kindergarten is implemented in that school.

The transition to the child care system is enormous. We are forging new partnerships and agreements with municipalities and school boards. During this time of instability and change, transparency is particularly important to build confidence and trust that the funding is indeed going to families and children, and building a stronger, more healthy, vibrant child care system.

My recommendation for your consideration today is that the province requires municipalities and school boards to publicly account for the spending of funding allocated for early learning and child care.

The argument for a quality child care system is well documented. It’s time for Ontario to invest in its young-

est citizens. Many young families feel disconnected from our political system, and fewer and fewer are voting. Is it any wonder, as they struggle day to day, as I get the phone calls saying, “How am I going to go to work on Monday? I have no child care for my children. There is no safe and healthy place for my child to be”? We know the newspapers are full of sad, sad stories that have come to light in the last two years about not having regulated, licensed, quality child care available for our families. This is an opportunity for our politicians to demonstrate that the political system is alive and well and is relevant to those families’ lives.

Thank you for the opportunity to speak with you today.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Sheila. Thank you for coming. Thank you for the presentation. The NDP is going to ask you some questions. They’ve got about four minutes.

**Mr. Michael Prue:** Thank you very much. In four minutes—there was some considerable discussion in the last couple of years, because of the advent of all-day kindergarten, that the child care centres were being destabilized. Has that been remedied, or is that ongoing?

**Ms. Sheila Olan-MacLean:** It is ongoing. One of our biggest hurdles right now is to be able to recruit registered early childhood educators. Certainly with an \$8-an-hour discrepancy in the wages, that continues to be an issue.

We in the child care field do not—I mean, we support full-day kindergarten; we think it’s a wonderful program. We do believe that it’s going to change the culture within our schools to support them in honouring children and respecting the dignity of children. So we are in favour of full-day kindergarten.

**0930**

We are also in favour of honouring—we know that children between the ages of zero and three—those are the most formative years. Those are the years when we can really make a difference in the trajectories and the outcomes for children and for families.

I think that the reports now are really coming out and saying, “This isn’t just good for tomorrow; this is good for today. This is what we should be doing today for today’s economy, for today’s families, and it will help Ontario be vibrant, prosperous and healthy.”

**Mr. Michael Prue:** I understand the \$8 discrepancy and how bad it is for you in recruiting, but \$8 an hour is about \$300 a week, or \$15,000 a year per early childhood educator. How many early childhood educators are there out there who don’t work for the school board making \$25 and who make about \$17? How many are there? This is the finance committee; I’m trying to get my head around how much this is going to cost.

**Ms. Sheila Olan-MacLean:** Yes, and I don’t have the number across the province. I know that at Kawartha Child Care Services, we have about 150 registered early childhood educators.

**Mr. Michael Prue:** So, just for Kawartha, we’re looking at a couple of million dollars.

**Ms. Sheila Olan-MacLean:** Yes.

**Mr. Michael Prue:** All right.

**Ms. Sheila Olan-MacLean:** And it's worth every penny.

**Mr. Michael Prue:** It probably is. Now, the question that we struggle with every day is, the government has an \$11-billion deficit that doesn't have any signs of disappearing soon. We have to come up with ways of either finding the money within the system or in increasing taxes, I guess, or finding revenues in some other source. How do you propose we find that \$2 million for Kawartha?

**Ms. Sheila Olan-MacLean:** At Kawartha Child Care Services, we have to make business decisions every day, so we have to kind of weigh what an investment is and may take 10 years to realize the real benefits. And sometimes we have to say, "No, this isn't going to be worth it." Early learning and child care is one of those projects that I think, traditionally—because young children don't vote, and actually, we know that families don't vote; people with young children don't vote—we have sort of set early learning of the zero to three-year-olds aside.

I think it's time now, and I think we've got the studies that show that the investment pays for itself. The investment isn't just that we are going to honour children and families right now; it means that in the future we are going to be saving much, much more than the \$1 billion that it will cost.

**The Chair (Mr. Kevin Daniel Flynn):** Sheila, thank you very much for coming today. We appreciate it.

**Ms. Sheila Olan-MacLean:** Thank you so much.

#### PETERBOROUGH COUNTY-CITY HEALTH UNIT

**The Chair (Mr. Kevin Daniel Flynn):** We move on to our next delegation. From Peterborough county, the city health unit: Rosana Pellizzari. If you'd like to come forward, Rosana. Make yourself comfortable.

**Dr. Rosana Pellizzari:** I have brought handouts.

**The Chair (Mr. Kevin Daniel Flynn):** Fifteen minutes, like everybody else. If you can save some time at the end for questions, it will go to the government side this time.

**Dr. Rosana Pellizzari:** Thank you. It's a pleasure to be here. I was going to start by speaking to the first slide in your handout.

The 2014 provincial budget provides an opportunity to invest in a wide range of social determinants of health, like education, housing security—we heard about child care as being one—income and employment supports. These investments have important implications for the health status of our population, particularly for our most disadvantaged and vulnerable populations. Wise investments and budget decisions can improve health equity and health outcomes in Ontario and potentially reduce health care spending, which consumes over 40% now of provincial revenues.

I urge you to adopt a health-in-all-policies approach as a lens in developing the 2014 budget. This means considering the impact that all government policies and actions have on the health outcomes of Ontarians.

A good example of an issue with broad public health implications is the development of casinos and the proposed expansion of gambling in our communities.

Before I go on with my presentation, I do want to just take a moment to recognize that the Ontario Lottery and Gaming Corp. does provide revenue that supports, for example, the Ontario Trillium Foundation, and we are local beneficiaries of that. Despite that, I think public health is concerned that the dependence on gambling revenues to address provincial deficits does more harm than good.

I'm now going to speak to the second slide. Gambling is a problem for us in Peterborough. Because of our population being small, I don't have good data for you from Peterborough, but I can share with you Ontario data, which is on this slide. We know that the percentage of adults in Ontario who have gambled at least once in the previous 12 months is 66%; here in Peterborough, it's more like 74%.

The percentage of adults who are at low to moderate risk or who are problem gamblers—when we take that data from the community health survey, we get figures that are about 3% for Ontario. For Peterborough, it's anywhere from 2% to 5% because of our lower numbers. Studies show that between 1.2% to almost 6% of gamblers do have a gambling disorder, and we certainly are concerned about local data.

A Trent University professor has found that about 7% of our younger adults—that's 18-to-24-year-olds—are experiencing moderate to severe problem gambling. In fact, gambling has become a rite of passage for many young people, just as bingeing has also become a sort of rite of passage, so we are very concerned about the impact on our younger adults.

The next slide summarizes for you the at-risk population: problem drinkers, those who use alcohol, seniors, youth—First Nations people have four times the risk of gambling disorders, and casino workers have three times the risk, but the commonality between all of these groups is that a greater proportion of people experiencing low income are at risk for both greater financial risk-taking and problem gambling. This is a problem that disproportionately impacts lower-income Ontarians, so there really is an issue of health equity here.

The next slide is to remind us that there are health costs to the individual and to families. We know that 75% of problem gamblers reported gambling as the cause of financial problems for their families. This is an intergenerational problem, in that we know that children of problem gamblers are more likely to use tobacco. We all know what tobacco costs the province. Tobacco is the only legal substance that kills 50% of its users. These are children who will use more alcohol or drugs, develop psychosocial problems, and experience educational and emotional challenges. Children of problem gamblers are

also at greater risk of becoming problem gamblers themselves.

The next slide gives you the price tag on that. We have estimates that one problem gambler costs us anywhere between \$20,000 to \$56,000 per year in Ontario, and that's really when you combine both the health costs and the social costs of gambling. In contrast to that, only 1.5% of the revenues generated by gambling are directed to prevention, treatment and research; that's \$54 million. So, certainly in our opinion, inadequate amounts are being directed to cope with the problems being generated by this reliance on gambling.

In addition, like other mental health and addiction disorders, very few gamblers actually seek treatment. We know about the impact of stigma on causing reluctance for people to present themselves for treatment. No matter what we do as far as funding treatment, there is still this problem that the majority of people will not seek it.

**0940**

The next slide: As far as the impact on broader social health issues, Toronto Public Health recently has summarized the potential impact of relying on casinos for income generation, and in fact they have concluded that the potential predicted change in the impact of casinos is for the most part negative. Certainly, we would support that here in Peterborough.

If I could just ask you to move to the next slide. So far, the board of health here in Peterborough has taken actions. We have shared our own report with our municipalities and our First Nations. But they very much have said that this is not a municipal problem and we don't want municipalities fighting each other to get the crumbs off the table of revenues from gambling, that really this requires provincial attention, which is why I'm here today. We have written to Premier Wynne and Ministers Sousa and Matthews asking that the government reconsider its position on expanding gambling throughout the province as a revenue generation strategy.

The next slide documents the fact that we are asking that the province, and this is maybe not so much a financial strategy but really a broader one—that the OLG be required to implement stronger harm reduction policies and criteria, including the use of tools such as a casino social contract that would hold host municipal governments, casino operators and the province accountable for the adoption of measures and strategies to prevent or mitigate the increased harm that would arise from enhanced gaming access.

The next slide chronicles the fact that we have sent a letter to Paul Godfrey, with copies to the Minister of Finance, advocating for a greater proportion of provincial revenues to be directed to prevention, treatment, research, and a public awareness campaign to reduce the stigma of gambling addiction and increase the numbers of people who would actually seek assistance.

The next slide is, again, just to make you aware that we did support a provincial—our sector is represented by the association of public health agencies; they represent boards of health. In 2013, we did pass a resolution that

was introduced by Toronto Public Health calling for the province of Ontario to refrain from the expansion of gambling availability as a way to generate revenues.

The next slide speaks to the issues of access and proximity. There's lots of research to show that when more casinos are opened, proximity to casinos will actually result in an increase in gambling activities. We have evidence from Niagara Falls, where there was a doubling in the access to a casino there when it opened. A similar increase is seen in Sarnia, Sault Ste. Marie, Brantford and Thunder Bay, and evidence from as far away as New Zealand shows that people who live the closest to the casino are more likely to gamble. So this is not a tourist attraction strategy; it hurts people who live closest to these facilities.

Finally, just to summarize, problem gamblers account for a third of the gaming revenues in Ontario and two thirds of the revenues from slot machines, yet they are only 3% of our population. Obviously, these revenues are being garnered at the expense of the poorest of our populations.

In addition, problem gambling costs us anywhere from \$20,000 to \$56,000 per year in health and social costs per gambler. I'd say that this is very similar to the problem that increasing sales of alcohol to generate provincial revenues would cause. It's the same pitfalls, the same harms.

Applying a health-for-all policy or doing a health impact analysis on these types of strategies is recommended as a tool to prevent short-sighted strategies being adopted that actually cause more harm than good.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Rosana. We've got about three minutes for questions. Dipika?

**Ms. Dipika Damerla:** Thank you so much for coming today. It was a very interesting presentation, and I learned a lot.

I was just wondering, because I know you spoke about the fact that your board does take some actions to mitigate the problems encountered by problem gamblers: Could you just walk us through some of the key measures you take to help them?

**Dr. Rosana Pellizzari:** Public health has a limited impact on some of these broader public health policies such as transportation, energy use, gaming. What we can do as public health is we can monitor and report on the problem and certainly report on the health impacts, which we have done. These slides were slides that we generated when we created our report, and we shared that report publicly.

In addition, we can advocate with our municipalities, which, again, we have done. Our municipalities have said, "You know what? It's really not a municipal problem. This problem is provincial." It's provincial because there was a provincial policy decision that was made to increase access to gambling as a way to generate provincial revenues. Because of that, we have been advocating provincially. I've showed you what we've done to date.

We're a small board of health. We have limited resources. We've done what we can. We've joined with our colleagues across the province, calling on the province. Coming here today is another part of that work. But really, this decision is yours to make and not ours.

**Ms. Dipika Damerla:** Actually, I was looking for some clarification on the services you provide through the funding through the Trillium Foundation.

**Dr. Rosana Pellizzari:** We as a board of health are not eligible for Trillium funding, so we don't receive Trillium funding and we don't use any of it locally, but we are parts of coalitions that do receive. You are about to hear, for example, from the Peterborough Poverty Reduction Network, a wonderful community initiative. We are partners in that, and we work very closely with other partners to look at opportunities and strategies to reduce poverty in our local community. There is funding from Trillium that supports that work.

There's other Trillium funding. Just last night, I was part of—we have a group of medical professionals who meet to advise us on what to do about local opiate use. We have a large proportion—this is, or the most part, an iatrogenic problem that was caused by Big Pharma marketing OxyContin and selling it to providers. We're now coping with that, and I know that some of our anti-stigma money is coming through Trillium.

There are lots of examples where Trillium is able to support us, which is why I said—I know we rely on Trillium for some of that funding, but when we look at the bigger picture, we have to really be careful about expanding the reliance on gaming revenues to fund some of this work.

I would say that fairer taxation is a better strategy, and I'm speaking as a physician. I earn a good income in the province, as do my colleagues. We have a group called Doctors for Fair Taxation. There's Lawyers for Fair Taxation. And we've been advocating that one way to increase revenues is to look at having a more fair income tax system in Ontario. It's essentially a flat tax rate once you get into the high-income brackets.

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** I'm getting some complaints from one side of the room that we're going a little bit over time—

**Dr. Rosana Pellizzari:** Oh, sorry. I will stop talking.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming.

**Mr. Douglas C. Holyday:** Mr. Chairman, it's not really a complaint, but I think just to have fairness with our deputations here, we have to have the same rules for them all, and I noticed that at the start they were cut, and then all of a sudden it's getting longer and longer.

**The Chair (Mr. Kevin Daniel Flynn):** No, what I'm trying to do is let people finish their sentence, and some people use—

**Mr. Douglas C. Holyday:** I appreciate that.

**Mr. Michael Prue:** It was a good, long sentence.

**Dr. Rosana Pellizzari:** Thank you, Michael.

**The Chair (Mr. Kevin Daniel Flynn):** Some people use run-on sentences. Thank you very much for coming today.

**Dr. Rosana Pellizzari:** My pleasure. Thank you for your time.

#### PETERBOROUGH HEALTH COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Peterborough Health Coalition: Roy Brady. Roy, if you'd like to come forward. Make yourself comfortable, Roy.

0950

**Mr. Roy Brady:** All right. What do I press?

**The Chair (Mr. Kevin Daniel Flynn):** It'll operate itself.

**Mr. Roy Brady:** Oh, will it? I just have to open my mouth?

**The Chair (Mr. Kevin Daniel Flynn):** You just have to speak.

Like everybody else: 15 minutes. Save some time at the end, if you can, for questions. The questions will come from the Conservative Party this time.

**Mr. Roy Brady:** All right. Thank you, Chairperson, committee members and very special guests behind me. I do thank you for the 15 minutes—I was expecting 10—and I do thank you for coming to Peterborough. You were here last in 2004, and I remember appearing at that particular time.

Now, this particular committee would be interested in the spending, not spending, when you spend it and where it is needed. I'm glad that I'm speaking to three parties who are all interested not only in winning the next election, but should be co-operating and directing Ontario the best way they can.

Peterborough Health Coalition is a chapter of the Ontario Health Coalition, which is to protect and enhance the public health care system and to get as much active community engagement as possible throughout Ontario. So the Peterborough Health Coalition is a chapter of that, and we do a fair amount of work in the community. We're very much concerned about the Peterborough area and, of course, work on provincial issues, which is one of the things I'll do today.

We do feel, at this time, and probably for quite a few months, that health care issues have not been on the table in Ontario. I'm going to try today to at least to get one of those issues on.

I'm going to refer to a new Ministry of Health plan that has come out, and I feel it is going to be implemented fairly shortly, say within six months. It's been very rushed, and it really needs highlighting. So we'll start with this committee right here. If there's time, I'd just like to provide some direction as a private citizen on three other matters within the 15.

This particular one here is a transfer of surgeries that are supposedly of lower risk from the hospitals into specialty clinics elsewhere. Now, that sounds like an attractive idea. We could all probably—

*Interjection.*

**Mr. Roy Brady:** Yes, I do need this.

That sounds very attractive, but, unfortunately, I think there are problems here, and I want to address those today. A couple of regulations—regulatory amendments—had been made last month to make the existing style of clinics right now to be health service providers, which they aren't labelled as now. Now, that allows the LHIN to look after it, and the LHIN would supervise it and would fund it. So that is significant in itself.

The ministry would pay what they call facility fees to these particular clinics, and that could be OHIP dollars, which is normal, or it could be something extra. We're very unclear on how that's going to happen. So, obviously, that is an expenditure that you should be worried about.

Progressive Conservatives and the NDP, I think, need to study this particular issue. They have to challenge it. The government and the Ministry of Health record has, in some areas, been unimpressive, particularly when they're involving external agencies. You guys have battled that at the Legislature quite a bit. So it's not a well-known program, and it's been rushed. I hope you pay attention to it.

They want to use what are called independent health facilities—I will refer to them as IHFs—and they do exist. There actually are about 800 of them in various communities. They do exist. They don't do surgeries, at least not at the moment. I personally feel that it is not advisable to use those particular clinics for surgeries because they have tended to become for-profit. The Liberal Party—Deb Matthews, for sure—has said, “No, no. They're not for-profit,” but they are, and I'll give you some proof in a few minutes.

The regulatory change would give responsibility to the LHINs, and I know you all have different opinions on what the LHINs should be handling, if anything. But the LHINs do hospitals and they can fund. With these particular clinics, there are going to be new costs. You've got the staff that you've got to bring in somehow, the set-up, the overhead. Really, I don't know if the LHIN can handle this. That's something we need to deal with, so we've got to slow down a bit.

What we are recommending is that surgeries remain under the Public Hospitals Act, instead of providing these IHFs the right to conduct these surgeries. A legal opinion we got said that if it did go to the IHFs, it would not fall under the Public Hospitals Act. The problem with the IHFs is that not only are they private companies, but they are for-profit, and they're weakly regulated. That is something we need to really look into.

Hospitals in the past have handled surgeries quite well. They're well regulated. That's one area where the LHIN has been strict. Their finances, obviously, are scrutinized quite carefully. With the hospitals, you're guaranteed it's not-for-profit. You're guaranteed that the quality control systems are in place. The regulation is tight, and the regulation is not tight with the IHFs; the ones that exist now, as I'll explain in a minute, are not particularly well regulated.

There is a positive change that came out in December. Up until then, hospitals were not allowed to bid. They now are allowed to bid to provide these surgeries perhaps at another site, down the street or whatever, but it would be under the auspices of the hospitals. That we find encouraging.

Problems: The problem for us is for-profit for surgeries. Again, Deb Matthews has said, “No, no, no, these things are not-for-profit.” But they are. They are not very well audited. They have some odd billing records, mainly because they're allowed to do that.

Safety is a concern because of the weak oversight by the ministry. I mean, you do have to check as to the radiation doses and extent of radiation if you're running an X-ray clinic. If there's an emergency, it cannot be handled there; you end up transferring it back to the hospital. Cost is a problem: any restructuring—costs, at least right off the bat.

The private companies particularly for surgery would need subsidies. They just aren't going to make a profit. The facility fees could be one way, and we don't know what that's going to be. But we do know that when you introduce for-profit into certain health care things, for example with hospitals, that costs do go up. There are business costs that have to be in; there's a new administration and so on. They're going to have to raise money somewhere, so this could have real budgetary implications.

Also, a ministry study actually did check some of these out and found that one out of five they checked were using unnecessary tools. They were providing services that weren't absolutely necessary and collecting OHIP payments. There has to be that kind of scrutiny.

The Canada Health Act covers hospitals and doctors; we know that. But we don't know, once you move it into the community, what kind of coverage the Canada Health Act can do. I think it should be covered, but it might not be.

I really believe that when the Liberals passed the Ontario Commitment to the Future of Medicare Act, 2004, that was to stop this, to stop the idea of fees, which tend to limit access. That's another way the for-profits can raise money.

Another fear is the dismantling of hospital services, which can become very, very, very important in the smaller rural areas. I know that's a concern of the Progressive Conservatives because that's where a lot of their votes come from. This could be very harmful to some of the smaller rural hospitals.

The Ontario Auditor General in 2012 reported on these IHFs, the existing ones, and found—there were 825—that 97% of them were for-profit, even though Deb Matthews has said, “No, no, they're not.” Professional fees were being charged. It can lead to queue-jumping, where some people will pay the fees and not go to a hospital, say, 100 kilometres away. They're not tracked. They're not audited. That was brought out by the Auditor General; you can look that up.

Profit tends to be the problem with the surgeries bit. Profit can be arranged for other services. Otherwise,

these IHFs aren't going to do it; they're not going to do it unless they can make money out of it. There's the charging of fees, the extra subsidies and a relaxing of conditions to less, perhaps, than what the hospitals do, and conditions do exist hopefully right now. They'll do the simplest, highest-volume ones; that's only a smart business case. We're concerned about where the Ontario health care system is going if this kind of a system comes roaring in.

We also want to know whether the initially not-for-profits would actually stay that way. LHIN legislation from six years ago allows for the transfer of not-for-profits into for-profit companies, but not the reverse; it's in the legislation. We oppose that for that reason.

Will the IHFs just get OHIP payments, or will there be other money coming their way which they may plead for?

Canada Health Act protection in hospitals is there. It's unclear when it gets out in the community; I've mentioned that before already.

**1000**

I'm also concerned about seniors, who will need the surgeries more so than other sections of the population. That's where the demand is going to come from. A lot of their needs are acute care. A lot of their conditions are multiple and complex. A hospital would be a better place for that. The people have paid taxes for decades. Why should they pay a fee for health care?

In conclusion on that, please, all three parties, be very vigilant about that. Challenge it where you feel there's a problem. Keep Ontario health care not-for-profit. We've got to be very concerned about for-profit growth in our health care system. We're concerned about the lack of public consultation—and maybe people at this table have not been consulted on this—and there is a fear that a number of health ministry projects have gone awry because they've been providing a lot of trust to external agencies where there has been poor oversight. I'd think you would agree on that.

How much time have I got left?

**The Chair (Mr. Kevin Daniel Flynn):** You've got just over three minutes.

**Mr. Roy Brady:** Oh, dear. I'll just make a couple of comments on other things. I don't have to make a reference to Ontario Lottery and Gaming; that has been done.

I am concerned about poverty. Discretionary benefits, which we in Peterborough call "necessary benefits," were slashed two budgets ago. That was a direct attack on the poor, who could not defend themselves. Please restore those benefits. It's fair play; it's social justice. What happened was that the provincial poverty reduction policy that came out a few years ago has just been thrown away. That's not what you should be doing. Austerity has been very harmful.

I also want to make a comment about mental health. There was a very impressive Ontario committee report a few years back, a mental health commission. It has just been forgotten. There's a major problem in Peterborough regarding treatment and capacity. It is really serious.

Several of us have appealed to our MPP, Jeff Leal, and to the Premier directly, and we got responses to go to the LHIN to see if we could settle it there. But it's a real problem here. We expect some provincial direction and a re-energizing of this particular thing. It's directly related to housing and health care.

I'll stop there. I had a couple of other things to say, but some people might want to ask questions.

**The Chair (Mr. Kevin Daniel Flynn):** There's probably time for a couple of questions. You've got just under two minutes. Laurie? Vic?

**Ms. Laurie Scott:** Thank you for coming and highlighting some of the concerns that you have. Certainly there was concern about the discretionary benefit-cutting. I think we had a lot of discussion up in Haliburton–Kawartha Lakes–Brock about it. Some of the councils came to the table; some weren't able to fill the gap. But you're right, we didn't support that.

I had a couple of questions. For example, everyone knows the Shouldice clinic, right? Can I ask you how the Shouldice clinic fits into what you were just saying about the independent hospitals?

**Mr. Roy Brady:** The Shouldice was a grandfathered private hospital. You just can't form those things now.

**Ms. Laurie Scott:** Yes, yes.

**Mr. Roy Brady:** Okay. They did actually make a profit. Their way of doing that, we found out, was that for part of their treatment, they would insist that you stay overnight for a number of days; being a hospital, you can do that. Then they would charge, whether it's an insurance payment or an out-of-pocket payment. That's where they were getting their profits, because all they received otherwise from the government was an OHIP payment. So they were able to make money on that.

**Ms. Laurie Scott:** But you don't agree with that, that they should exist. The Shouldice, for example, shouldn't exist and make profit.

**Mr. Roy Brady:** No, I don't. No.

**Ms. Laurie Scott:** Okay. It does fill a lot of gaps in the system and they do provide good care. I don't know what profit they make or anything like that.

How much have I got?

**The Chair (Mr. Kevin Daniel Flynn):** Thirty seconds.

**Ms. Laurie Scott:** Okay.

**The Chair (Mr. Kevin Daniel Flynn):** And if you go over, Doug will be all over you.

**Ms. Laurie Scott:** What can I ask in all that?

How do you feel the LHIN is looking at this? They oversee the hospitals, so why don't you think they could oversee this?

**Mr. Roy Brady:** I think they're overburdened. We argued a number of years ago, when the LHIN legislation came out, that their number one purpose was to be a buffer zone for the government. In other words, if the government had rather difficult, controversial things to do, the LHINs would look after it, and that would dismiss complaints against the ministry.

*Interjection.*

**Mr. Roy Brady:** Yes. There was a problem there. I also found that the LHINs were supposed to be engaging the public, and they don't. They engage the health agencies or social agencies, who are there to receive funding. They don't talk to people. In fact, that has even been omitted by a couple of LHINs.

There's definitely a problem with LHINs doing that. You'd have to want to expand the role of the LHIN to do these specialty clinics, the way it's been set up.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming, Roy. We appreciate your time.

#### PETERBOROUGH POVERTY REDUCTION NETWORK

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Peterborough Poverty Reduction Network. There are two in a row here, I notice. Diane?

**Ms. Diane Therrien:** Hi.

**The Chair (Mr. Kevin Daniel Flynn):** And you're being followed by Tara-Lyn? Is that right?

**Ms. Diane Therrien:** That is correct, yes.

**The Chair (Mr. Kevin Daniel Flynn):** Are you doing it individually?

**Ms. Diane Therrien:** Yes, we are.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, super. The floor is yours. Use it any way you see fit. You have 15 minutes. Your questioning will come from the NDP this time.

**Ms. Diane Therrien:** Great, thank you. Good morning, committee and audience members. You'll notice that I don't have a handout for you, but I will be submitting a written submission expanding on some of what I'm going to say.

My name is Diane Therrien. I worked in the Ontario public service as a policy adviser for a year and a half before resigning to pursue my current employment as a facilitator of community education and engagement with the Peterborough Poverty Reduction Network. As such, I am keenly aware of the fiscal challenges that are routinely highlighted by the government. However, despite these challenges, it is imperative to think about the big picture and the well-being of Ontarians in general when contemplating what to include in the upcoming budget.

Perhaps the most pressing challenge in Ontario is the continuing rise of income inequality being fuelled by, among other things, high levels of individual debt, particularly among students, a lack of secure and meaningful employment, and a tax system which favours the well-off at the expense of the collective well-being of our province. I will speak about each of these interconnected points and end with a series of questions for you to ponder.

In December 2013, the federal Standing Committee on Finance released a report entitled *Income Inequality in Canada: An Overview*. This report highlighted the trend that the wealthiest among us have had their incomes rise

over the last two decades, while the poorest among us have had our incomes fall. The report noted research that show that higher rates of income inequality are positively correlated to higher rates of poverty, and it is well known that poverty reduction is a vital component of a healthy society.

In the current day, post-secondary education is nearly always a required tool for people seeking employment. However, pursuing post-secondary education is increasingly expensive and seems to be an unreachable goal for many low- and middle-income Ontarians. Our province has the distinction of having the highest university tuition rates in Canada, with the rates here tripling from \$2,500 in 1991 to over \$6,000 in 2013. These rates are projected to rise to \$8,756 by 2017. For those pursuing college diplomas, tuition is now roughly \$2,400 per year.

Any post-secondary program, in college or in university, will also cost roughly \$1,200 a year for books, leading to an additional \$4,800 cost over the course of a university degree or college diploma.

Due to these astronomical rises, students, even those who work throughout their university career, as I did, are forced to take OSAP loans, which are paid at usurious interest rates. Potential students from working-class families are increasingly giving up the idea and the prospect of attending college or university altogether, as their families cannot afford the tuition fees, and the prospect of incurring thousands of dollars of debt is overwhelming. This leads to limited employment prospects, increased intergenerational poverty and a decreased sense of social cohesion and belonging.

For those who do graduate in this economic climate, students of all disciplines are finding it more and more difficult to secure adequate employment. While college graduates are slightly better off than their university counterparts due to the more practical nature of their expertise, even those with highly transferrable skills find themselves unable to secure permanent, full-time employment. I saw this happen in the OPS; I know people who have been on contract there for sometimes years, with no benefits, and that is something that's happening broadly across all employment spectrums.

The rise of part-time, precarious work, and the government's complicity in allowing this to happen, has made the economic prospects for all Ontarians dire. While we are told that a university or college degree is imperative in finding a job in today's economy, the reality is that many of us are graduating from post-secondary with thousands of dollars of debt and a shrinking job market.

The broader attack on workers' rights and collective bargaining is another issue, one which I could spend much time talking about. However, I will say that there are numerous studies which show that organized workers have healthier working environments, that the presence of unions helps to bring wages up for non-unionized workers, and that collective bargaining helps secure a higher standard of living for society in general. I'm not saying that unions are perfect—indeed, I know that there are many problems with them—but the current assailing

of workers' rights is frightening and contributes to the rise in unstable, minimum wage work that plagues not only the young but increasingly all ages in Ontario.

These factors align to prevent Ontarians from fully participating in their society. It prevents people across generations, but particularly young people, from finding full-time, fulfilling employment with benefits. It makes having a family and owning a home dreams that must be ignored or financed by incurring additional debt, and it ultimately prevents people from participating in society and investing in their local economies.

#### 1010

The provincial government must work together across party lines and election hopes for the betterment of the people in this province. Restructuring the tax system by adding an additional tax bracket for those who make over \$250,000 a year and revoking corporate tax cuts would provide enough funding to reduce tuition rates back to 1990 levels with money left over to invest in the health and social services that have long been fundamental to this province's positive development.

The government, both the party in power and the opposition parties, must also have a serious discussion about how to implement a living wage in this province. While I understand the argument that this will take a toll on small businesses, the majority of minimum wage workers are employed by large multinational corporations who can absolutely afford to increase the compensation they pay their employees. Revoking corporate tax breaks would also provide funding to help small business owners top up the wages that they pay their workers.

The government must be willing to stand up and stop capitulating to the will of corporate powers. Working across party lines to secure a sustainable living wage for Ontario workers, we will be able to invest in the social well-being of people in this province and to build a better future for all. In addition, you must advocate the federal government to invest in the well-being of its people through quality programs designed to help improve the health, education and employment prospects for all.

I ask you, then, as individuals to consider how in your parties, as well as in your day-to-day pursuits, you are positively contributing to the lives of people in Ontario. What are you doing to ensure that good-quality employment is being made available to people across Ontario? Are you concerned with the well-being of everyone in this province and their children? If not, how can you work towards this goal? If so, I ask you to please work together to invest in preventive measures to stem the tide of this problem, because if income inequality and poverty levels continue to rise, the problem will spiral out of control and become even more expensive and difficult to challenge down the road. The negative impacts that are already being felt in our communities today will become even more devastating.

Thank you, and I would be happy to take any questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you, Diane. You've left quite a bit of time for questions: about seven and a half minutes. Mike? Jonah?

**Mr. Michael Prue:** Jonah will go.

**Mr. Jonah Schein:** Thank you so much for coming in and for your presentation. I'm wondering about what the realities are on the ground that you see here in Peterborough. We just passed the five-year marker on the Poverty Reduction Strategy. We saw the numbers released recently. It looks like the strategy stalled a few years ago when we stopped making investments in things like the Ontario Child Benefit and when the minimum wage was frozen. What are you seeing here in Peterborough?

**Ms. Diane Therrien:** We're seeing a broad range of issues. Some of them have been touched on—everything that you're going to hear today, I would argue, is inter-related. In terms of on the ground, the cuts to discretionary benefits have been particularly hard-hitting for a lot of families. We've seen an increased reliance on food banks. We've seen more and more people having difficulties financing housing, and you'll hear more about that from my colleague Tara-Lyn, who will speak next about the need to invest in affordable and geared-to-income housing.

We know that children that aren't getting healthy food in the morning because their parents have to choose between rent and buying food are doing less well in school. Then that leads down the road to perhaps not graduating from high school, not pursuing post-secondary, and ultimately limiting their employment prospects in the long run.

We also know, through the social determinants of health framework, that people who are living in poverty have worse health outcomes. They're more likely to rely on health care services, which ultimately leads to higher costs for the province and the taxpayers. There's a myriad of issues that are all interrelated. But the bottom line is that investing in people and providing a wide range of programs designed to reduce poverty will have beneficial outcomes for everybody.

**Mr. Jonah Schein:** Can you say more about the cuts to discretionary benefits? Which ones are you referring to?

**Ms. Diane Therrien:** There are many. In terms of dentures, in terms of the recreational programming, the Housing Stability Fund—there were cuts there. There were lots that we're seeing, and it just basically comes down to parents and families and seniors too—it's not just one or the other; it affects everybody, having to make hard decisions between paying for health care or paying for hydro. It's all interrelated. I know that the Poverty Reduction Strategy didn't meet some of its targets. I think part of it was that while having a focus on children seemed like a good idea, ultimately children can't bring themselves out of poverty. If their parents are still in poverty, children are still going to be in poverty. There needs to be a more holistic approach to it in trying to invest in the well-being of the parents so that they can invest in the well-being of their children.

**The Chair (Mr. Kevin Daniel Flynn):** Mike?

**Mr. Michael Prue:** I have many questions. I've been on the finance committee now for about 10 years. You

are one of the first people who have actually come and told us, "Please raise taxes."

**Ms. Diane Therrien:** Yes.

**Mr. Michael Prue:** And you've targeted those making more than \$250,000.

The NDP, two budgets ago, insisted that we have a special tax for those above \$500,000. It brought in \$400 million. But the government, when they did it, only did it for a couple of years. It's about to expire.

First of all, should that be continued? Secondly, you've mentioned \$250,000. Where did you get that from?

**Ms. Diane Therrien:** That was just sort of a ballpark figure that I picked. You know, \$500,000 would also work. We know that the top 1% and then the 0.01% in there are the ones who have seen their incomes rise. We know that top executives and CEOs have had their incomes rise at something like 200%, while the workers on the ground have had their incomes rise much, much less than that. People now at the top are making many, many times what the workers on the ground are, and I see no reason why those who are most able to pay those taxes should not have to pay those taxes. I mean, we're in a society where we should be concerned about the collective well-being and try to move away from this rampant individualism which seems to have taken over a lot of the thought that we see in government these days.

**Mr. Michael Prue:** The Canadian Centre for Policy Alternatives did a brilliant little paper in the last couple of years on January 1—it's in the newspaper on January 2—talking about the highest-paid executives in Ontario. By January 2 at 11 o'clock in the morning, they have already earned the average salary in Ontario. I guess that's who you are recommending—that people who earn millions of dollars a year in salaries should pay a little more.

**Ms. Diane Therrien:** Absolutely. I do believe so. I think you have workers—and increasingly, we see this across all spectrums. I saw this in the public service; I see this in the university. Across all sectors, there is this increased reliance on contract workers because you don't have to pay them benefits. They don't have any sort of job security. They don't fall under any collective agreement where they then are guaranteed a raise every year.

There are all these cost-saving measures, but in reality they are hurting our society. They will cost us more down the road, because there will be an increased reliance on social assistance, there will be an increased reliance on the health care system, as well as other social supports, which are being rolled back too.

It's like the perfect storm is brewing. If it isn't addressed now—you can't just keep putting it off for future generations to deal with. This is part of the reason why young people like myself are increasingly disillusioned with the political system, and we've heard about working families being less likely to vote because they don't feel like anybody is listening to them, and nobody is supporting them. I think that's a big problem too.

**Mr. Michael Prue:** I've still got time?

**The Chair (Mr. Kevin Daniel Flynn):** Yes. You've still got just under two minutes left.

**Mr. Michael Prue:** Okay. You also talked about the living wage. We heard in Halton yesterday that they calculate a living wage at around \$17; however, they were more concerned about the campaign for a \$14 minimum wage, even though that would not be a living wage for Halton. Have you calculated a living wage, first of all for, for Peterborough?

Secondly, what about the \$14 minimum wage that's being advocated? If that is to be done, I talked to the chamber of commerce from Peterborough today and they were not so much opposed to it, provided it was staged in and that business had an opportunity to prepare for it and not take a hit all at once.

Any thoughts on both of those things?

**Ms. Diane Therrien:** Right. I believe \$14 has been the broader living wage campaign. I think in Peterborough we calculate it at about \$14 or \$15, so not too different from what's been put forth.

I know that there is this thought that small business owners will take a hit on that, but that's why I was suggesting that by revoking the corporate tax cuts you would be able to have a pool of money with which to help small business owners top up wages for their workers.

But the majority of minimum wage workers are working at Walmart or McDonald's. These multinational corporations are saying, "We can't afford that," but in reality, their CEOs are walking away with \$10 million at the end of the year, and billions of dollars of profits. So there's no excuse why they can't pay their workers a minimum wage and provide them with the benefits that should be required in order to have a healthy, stable, happy workforce.

We hear all the time of people who are working several minimum wage jobs because, again, employers don't want to give them full-time hours because then they might be required to pay them benefits. So people are working 20 hours here, 20 hours there, and they're still barely making the poverty line.

1020

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Diane.

**Ms. Diane Therrien:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning.

#### PETERBOROUGH POVERTY REDUCTION NETWORK

**The Chair (Mr. Kevin Daniel Flynn):** Our next speaker this morning is Tara-Lyn Prindiville. If you'd like to come forward, Tara-Lyn. Make yourself comfortable.

**Ms. Tara-Lyn Prindiville:** Thank you. I do have a handout for you, so I'm just going to walk around—

**The Chair (Mr. Kevin Daniel Flynn):** No, just give them to Katch, here.

**Ms. Tara-Lyn Prindiville:** Oh, perfect. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Make yourself comfortable. You have 15 minutes like everybody else; five minutes for questions at the end will go to the Liberal side.

**Ms. Tara-Lyn Prindiville:** Perfect. Thank you for coming all the way to Peterborough to speak to us, and thanks everyone for coming out, because that's really a valuable use of your time.

I'm presenting about the cuts to housing stability that happened across the province. Keep in mind that cuts to discretionary benefits also occurred at the same time, so it's kind of a double whammy there.

First of all, what is housing stability assistance? Housing stability assistance is short-term financial assistance that is disbursed to prevent evictions, to prevent disconnections of heat and hydro, to provide last-month rent deposits or to purchase home heating fuel. This is direct assistance to low-income people, both on and off of Ontario Works and ODSP. For people at risk of homelessness, it's a cost-effective tool for homelessness prevention.

Housing stability assistance was previously provided by the province through the Community Start-up and Maintenance Benefit, or CSUMB as we call it. Since the elimination of CSUMB and the consolidation of housing funds under the Community Homelessness Prevention Initiative, housing stability assistance in Peterborough is now provided through the Housing Stability Fund, which is municipally managed and funded through CHPI, the Community Homelessness Prevention Initiative.

With the elimination of CSUMB, provincial support for housing stability assistance has declined. Even with the transition grant that was awarded to various municipalities, overall 2013 funding for the Housing Stability Fund has fallen short from the 2012 CSUMB level by about \$900,000, resulting in significant impacts and hardship in this community. This has sown the seeds of a social, moral and economic crisis which will ultimately result in increased public and private expenditures for Ontarians.

Furthermore, Peterborough is disproportionately affected by this change due to its relatively high levels of poverty, core housing need, unemployment as well as one of the lowest average wages across all of the census metropolitan areas in Canada.

If you take a look at the first graph on your page there, you can see that provincial funding for housing stability assistance in 2012 was approximately \$2.5 million. That went to CSUMB, rent bank, Emergency Energy Fund and family fund. In 2013, approximately two million provincial dollars were allocated to the Housing Stability Fund, which was meant to replace CSUMB. This was partly through CHPI, but mostly through the transition grant that was awarded to us as a measure to mitigate these emergencies.

In 2014, just one million provincial dollars will be allocated to the Housing Stability Fund, and a bit of that is still leftover transition grant funding. In 2015, we

estimate that around 0.7 million provincial CHPI dollars will be allocated to the Housing Stability Fund, with no more transition grant.

If you look at the 2014 funding as a percentage of 2012 funding, without including the temporary transition grant funding, it's just over a quarter of what funding was in 2012. It's a 72.5% reduction.

Changes accompanying the cuts have been: stricter eligibility criteria, strict annual limits, less issuances of assistance—that's a big one—less types of expenses covered and in some cases less funding for expenses that are covered. Very importantly, CSUMB was a mandatory benefit, whereas the Housing Stability Fund is not. Therefore, once the fund is depleted within a given year, even eligible situations cannot be funded.

We did a little research over the summer, between April to July 2013, to see what some of the impacts of these cuts were on the community. We did a staff survey of 65 respondents who work with low-income clients. We found that they reported an intensification of work and crisis situations, a growing intensity in client-case management, an increase in the volume and needs of clients being served and a growing inability to help clients resolve their issues.

Some 69% of staff respondents agreed that heat and hydro disconnections have increased among their clients; three fourths of staff respondents found that homelessness and emergency shelter usage has increased among their clients since the benefit reductions took place; 83% of staff respondents agreed that hunger and food bank usage has increased among their clients since the benefit reductions; and 80% of staff respondents agree that household debt has increased among their clients.

We also did a client survey. We surveyed 111 people who were denied access to the Housing Stability Fund or discretionary benefits between April to July 2013.

If you look at the graph on your second page, you can see—it's the first graph—the number of people who reported various outcomes as a result of being denied benefits during that time period: 21 households were evicted as a result of being denied the assistance between April to July; 31 client households had their heat or hydro disconnected; 67% of those clients reported hunger or food bank usage as a result of being denied access to the Housing Stability Fund or discretionary benefits; and 60% of the clients reported increased household debt. So those are some of the impacts that we found.

The economic implications of this are vast. A failure to prevent housing crises can lead to job loss, obstacles to becoming educated and employed, obstacles to child development—all bad for the economy. Housing stability enables people to be productive members of society. Without it, they don't have that foundation.

We know that prevention is less expensive than responding to crisis. The costs of homelessness far outweigh the costs of eviction prevention. We know this. This has been researched across Canada and across the United States multiple times. So housing crises result in increased expenditures to health care, mental health and

addictions services, police services, children's aid society and more.

A local example of this: Recently, a family of four in Peterborough was evicted for rent arrears. They did not receive housing stability assistance. They arrived at a local shelter at the end of September and stayed until mid-November for a total of 56 days. The shelter charged social services a per diem rate per family member of \$48 per person per night. This worked out to \$10,752 for their shelter stay, which could have been prevented with just over \$1,000 for eviction prevention through housing stability assistance.

Conclusions and recommendation: Since the elimination of CSUMB and the commencement of the Community Homelessness Prevention Initiative, municipalities have been forced to stretch fewer housing dollars further. They were told that they were being given greater freedom to invest housing dollars according to local needs, but, in reality, they've been given so few dollars that this freedom is not authentic.

As a result, in 2013 and 2014, municipalities have been unable to adequately fund programs that provide housing stability assistance, the programs that are meant to replace CSUMB. This reduction of support has been a catalyst for a growing housing and homelessness crisis in Peterborough and across Ontario. More housing emergencies are not being prevented, resulting in additional hardship and public expenditures.

The Ontario housing policy statement declares that municipal 10-year housing and homelessness plans must ensure measures to prevent homelessness. However, without adequate funding, this provincial emphasis on prevention cannot be realized. The consequences of this will be increasingly dire and expensive. The dollars just are not backing up the policy.

The province needs to, once again, take primary responsibility for adequately funding housing stability assistance. This is an essential social service that cannot be financed largely through a municipal property tax base. It is a provincial issue relevant to all people in Ontario. This will require increased investment in the Community Homelessness Prevention Initiative.

1030

The Peterborough Poverty Reduction Network recommends that the province significantly increase investment in the Community Homelessness Prevention Initiative so that municipalities are genuinely able to allocate adequate funding to programs that provide housing stability assistance at levels similar to CSUMB in 2012.

**The Chair (Mr. Kevin Daniel Flynn):** That was great, Tara-Lyn. A very good presentation. Thank you. We've got about four minutes. We'll start with Joe.

**Mr. Joe Dickson:** Thank you, Mr. Chair, and thank you very much, Tara-Lyn. Just a couple of quick questions. You're with the Peterborough Poverty Reduction Network; is that assisted through any type of taxation?

**Ms. Tara-Lyn Prindiville:** It is funded through Ontario Trillium grants right now.

**Mr. Joe Dickson:** Thank you. A question on your chart—I guess that would be page 2: You referenced and

were giving counts; you mentioned 31 gas and/or hydro disconnections and 21 evictions.

**Ms. Tara-Lyn Prindiville:** Yes.

**Mr. Joe Dickson:** And I got the feeling for a moment that it may be a percentage, but I don't think that's possible. Can you tell me if that was 21 people or 21% overall when it came to evictions?

**Ms. Tara-Lyn Prindiville:** It was 21 households who claimed—

**Mr. Joe Dickson:** It was 21 households out of the entire area?

**Ms. Tara-Lyn Prindiville:** Yes.

**Mr. Joe Dickson:** Okay. Thank you. Thank God. I was scared. I thought it was 21%.

**Ms. Tara-Lyn Prindiville:** Oh, actually, I forgot to mention one important thing. We interviewed the Peterborough Community Legal Centre, and they identified a 34.5% increase in applications for eviction at the local Landlord and Tenant Board in Peterborough when comparing the dates of April to September 2012 and April to September 2013. That's a 34.5% increase in applications for eviction.

**Mr. Joe Dickson:** Looking at your numbers, I'm guessing that 21 people out of the entire population is half of one per cent or some such thing?

**Ms. Tara-Lyn Prindiville:** That's 21 people out of the 111 surveyed, and that's between the dates of April to July.

**Mr. Joe Dickson:** So that's almost two tenths of one per cent. Okay. I just wanted to clarify that.

On some of the social assistance issues, just a couple of quick things, and I didn't know if you were aware: Under social assistance, as part of poverty reduction, there's an area where those people receiving assistance can now work and maintain the first couple of hundred dollars a month that they earn.

**Ms. Tara-Lyn Prindiville:** Yes.

**Mr. Joe Dickson:** (a) It encourages them to work, and (b) it assists them. We want to get them out of that grid where they're stuck. I can see a little bit of positive things happening that way, and again, you're coming up with great numbers. It tells a real story out there.

On the other side of the coin, it's the worst recession in 82 years. It's five consecutive years. Not to point fingers at MPPs, but we're all setting an example where the wages were frozen for five years and continue to be. Our staff and our budgets are cut and everything, so we're doing all of those things.

I know there are cases where you'd like to pay people more money. I would love to see that as well, but as the owner of a printing company—there's a young gentleman over there with the same thing—we pay up to \$30 an hour on a press. All of our competition that we're losing goes offshore—China, India, Brazil; I could name you a whole bunch of countries—where the pressmen are a dollar an hour compared to that. They'll land work back here, prepaid, air freight, at your door, for 50 cents on the dollar. That's one of the things that's probably going to correct itself over the next 10 years, but it has been very

devastating to us here in this province, in this country and in all of North America.

On union staff: It has come to my attention through some of our hiring. We hire union people. We want to do that, because we believe that a fair wage is appropriate, but sometimes those scenarios are hampered because it causes grief with the unions if they go and work for a private firm. I just wonder if you'd keep this thought with you: I think that they should be able to work wherever they want to work, under whatever conditions.

Thank you, Mr. Chair.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Joe, and thank you very much, Tara-Lyn, for your presentation.

**Ms. Tara-Lyn Prindiville:** Thanks.

#### DURHAM REGION HOME BUILDERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Durham Region Home Builders' Association: Anita DeVries. Have a seat; make yourself comfortable. You have 15 minutes; use it any way you see fit. If you leave any time at the end, it will be questions from the Conservative Party this time.

**Mr. Joe Dickson:** How's everything in Durham?

**Ms. Anita DeVries:** Everything is wonderful. Thank you so much.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is all yours.

**Ms. Anita DeVries:** Mr. Chairman, members of committee, good morning. My name is Anita DeVries. I serve as the executive officer of Durham Region Home Builders' Association. The Durham Region Home Builders' Association is the voice of the new housing development and professional renovation industry in Durham region. Our association includes approximately 170 member companies.

Since I'm here in Peterborough, I'd like to mention that there is a strong local Peterborough and the Kawarthas Home Builders Association that I have the pleasure of working with on a daily basis. We are both proudly affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association.

The residential construction industry supports over 322,000 jobs, paying over \$17 billion in wages and contributing over \$43 billion to the provincial economy. I think it's important to state that I'm not here asking for funding. We are financial contributors to this economy.

The housing we build across Durham region and, for that matter, in Peterborough represents thousands of jobs not only directly on construction sites but we also generate huge numbers of indirect employment in other industries such as furniture and appliance manufacturers. I should also note that most of the material we use in new communities is sourced locally here in Ontario.

We remain concerned about the broader economy, as some sectors have not fully recovered from the recession. When consumers are not confident, when they don't have

a job or lack job security, they don't buy a new home or renovate their existing home. This is why my deputation today is going to focus on the economy, a conducive job climate and ensuring a fair, transparent and evidence-based planning process.

The Durham Region Home Builders' Association, as well as our affiliates, represents the professional renovations sector. Our members are competing against underground cash operators that don't pay WSIB premiums, don't pay their GST or HST and aren't likely to file income or corporate tax returns. They also put themselves at risk by not adhering to current health and safety standards and they put consumers at risk for liability and shoddy workmanship. In many cases, they don't even pull permits for the work that they do.

The underground economy is rampant in the renovations sector, and it is becoming a bigger and bigger issue every year. This problem was compounded a few years ago when the HST came in, as that additional 13% at the bottom of the renovation bill often prompts the question, "How much will it be if we pay cash?" The truly professional taxpaying and law-abiding renovation contractors are getting squeezed out by that question, and the result is that a large sector of our economy is not contributing to the tax base and is, in fact, putting consumers at risk. We believe that a broad-based, consumer-focused tax credit similar to the expired federal government's home renovation tax credit is the best method to deal with the problem of the cash economy in the renovations sector.

When I was talking to Jim Flaherty in Ottawa last spring, I spoke about this issue to him. He said that when they did have the home renovation tax credit, it did flush out a lot of underground workers, and also it ended up contributing to the taxes that were paid to the federal government. So it's actually not a cost to the government if you implement this tax credit.

Fundamentally, this is a problem that is best dealt with through a regulatory system that catches these underground operators alongside a plan to address the consumer demand for cash renovations. Consumers don't ask the question, "How much if we pay cash?" if they know that they need those receipts to get that tax credit.

#### 1040

Related to this is the provincial Healthy Homes Renovation Tax Credit, which we strongly supported and which offers a rebate to seniors to age in place by making accessibility-related retrofits. The Healthy Homes Renovation Tax Credit also has the added benefit of fighting the underground economy, and we are certainly doing our part to let consumers know about this important tax credit and making sure that our members are well-informed as well. We believe that the receipts generated from tax credits provide the Canada Revenue Agency with a wealth of data that could be used to cross-reference underground industries with WSIB information and building permit data to catch the underground operators.

We recognize that the shift to a harmonized sales tax has some benefits to the broader economy and specific-

ally manufacturing, but harmonization has brought about significant tax implications impacting new homebuyers and, as I noted earlier, homeowners contemplating a renovation. With respect to new homes and the HST, our provincial association supported the enhancements the province made in June 2009 to provide a progressive tax structure that is applied to new homes. This was a positive step for housing affordability as compared to the original proposal.

I want to be clear that while we support positive measures taken to improve the tax structure, it still represents a net taxation increase for homes valued over \$400,000. Even in communities such as Oshawa or Peterborough, we are finding that more and more new homes are valued higher than the \$400,000 threshold.

Let's keep in mind, regarding housing affordability, that 20% of the cost of a new home goes to government fees and taxes. If you want to make housing more affordable, you're going to have to cut these taxes and fees in some way.

Home prices tend to rise over time, and over the past decade, the new housing price index in Ontario has moved at a much faster rate than either general inflation or income growth. We are concerned that faster housing price appreciation will erode housing affordability. As you heard from some of the delegates, that is a huge issue.

We are not asking for drastic changes today. We are simply recommending that the government make a commitment to review the threshold of the HST at least every five years. This would ensure that housing affordability is maintained for the middle-class new homebuyers and ensure that the tax rebate continues to reflect changes in housing prices over time.

Our provincial association, the Ontario Home Builders' Association, responded positively to last year's provincial budget as it continued to make significant investments in core infrastructure with the announcement of the extended three-year, \$35-billion commitment. We expect that this year's budget will maintain that commitment as it is absolutely critical that the province continue to support infrastructure to sustain the recovery.

We believe that strategic infrastructure investments help enhance quality of life, support economic prosperity and enhance productivity. The provincial government should focus on core infrastructure investments. By that, we mean roads, bridges, water, waste water and public transit. These types of investments leverage additional private sector jobs and investments while improving productivity.

I should also add that the province can't make these types of investments in isolation. It is important that land use planning policy is in alignment with long-term infrastructure. This means provincial policy must provide leadership, and municipal implementation documents, including both official plans and zoning, should be in conformity with planned infrastructure to create investment-ready communities.

Durham region, as well as Peterborough and the Kawarthas, will directly benefit from the 407 extension,

and we are very happy about that. It is an extremely important asset for many homeowners, cutting their commute times and thereby increasing their quality of life.

In closing, I'd like to thank all of you for your attention and reiterate our key themes:

(1) We support a permanent home renovation tax credit to combat the underground economy.

(2) We support continued investment in core infrastructure.

(3) We recognize the province is in a deficit position, and this may not happen immediately, but we believe it is important that the province commit to a regular review of the new-housing HST threshold at least every five years.

Thank you, and I look forward to any questions you may have.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Anita. Vic, are you asking the questions? You have just under four minutes.

**Mr. Victor Fedeli:** Thank you very much, Chair. Anita, thank you very much for your presentation. I realize you said that you wanted a focus on the economy and the conducive job climate. The fact that we lost 39,000 jobs last month and 39,100 jobs the month before: How has that affected the housing market in the last few months?

**Ms. Anita DeVries:** In the last few months, it has dipped a little. But in Oshawa, actually, it is doing very well, especially in north Oshawa, where the 407 is coming through. Those houses are selling well because Durham region is still more affordable than being closer to Toronto or in Toronto.

**Mr. Victor Fedeli:** You talked about the underground economy. I wrote down that you said it was becoming a bigger issue every year. You talked about the WSIB and, of course, this January, the WSIB now is mandatory for all small contractors, as well. I'm from North Bay; I'm the MPP from Nipissing. I had a deluge of small contractors in my office saying that the smaller contractors are going underground because they can't afford this additional insurance now that is unnecessary to them and a new tax. Do you find the same thing has happened here?

**Ms. Anita DeVries:** Exactly. That is such a huge issue. Now there is a bill in front of the Legislature today that is asking for a reduction of that WSIB fee to one third. I know it's past first reading, and so I hope it really gets pushed forward quickly when you reconvene in February. It's Bill 155, the WSIB reduction.

**Mr. Victor Fedeli:** The College of Trades is another new tax that has been implemented on January 1. Has that also become an issue this year where your members are now going underground? Is that part and parcel of it?

**Ms. Anita DeVries:** That certainly is another item that does not make the residential construction economy any better.

**Mr. Victor Fedeli:** The fact that the government is now talking about reducing nuclear power from 56% in

Ontario to 45%: How do you think that will affect the Durham region home builders?

**Ms. Anita DeVries:** We were looking forward to a lot of new jobs with OPG being there in Durham region. It hasn't affected them yet, to be honest, but—

**Mr. Victor Fedeli:** What's your prognosis?

**Ms. Anita DeVries:** Well, you know what? I guess I don't want to make a guess. We'll see. Obviously, it's not good.

**Mr. Victor Fedeli:** I'm going to pass it to Laurie.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about 30 seconds.

**Ms. Laurie Scott:** Okay. Thanks for coming here today. I know you mentioned that the 407 extension has been delayed many years, so that has obviously been a negative impact. It certainly has up in my area, making it go to 35/115—you'll see it before I will. But do you have any comment on that delay of the construction of the 407?

**Ms. Anita DeVries:** Well, we just want that to get done—

**Ms. Laurie Scott:** I'm with you.

**Ms. Anita DeVries:** —and get done quickly.

**Ms. Laurie Scott:** ASAP; can I just add that?

**Ms. Anita DeVries:** As quickly as possible.

**Ms. Laurie Scott:** All right. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You've got three seconds to add some more letters if you want.

**Ms. Laurie Scott:** Well, there you go. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** BTW or something.

**Ms. Anita DeVries:** Thank you very much, and I will have a soft copy available to the committee.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Anita. Thank you very much for coming today. We appreciate it.

#### MR. JOHN MARTYN

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation is John Martyn. John, if you'd like to come forward and make yourself comfortable. If you have any handouts, the Clerk will come and get them from you, or somebody will.

**Mr. John Martyn:** I'll be using them during my presentation, so I appreciate them being distributed.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Did you want them handed out to the members, though?

**Mr. John Martyn:** Yes, please.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Joe, could you grab them, please?

Okay, John, the floor is all yours: 15 minutes; use it any way you see fit. Any questions this time, if there's any time left, will come from the NDP.

1050

**Mr. John Martyn:** Thank you very much. Good morning, and welcome to Peterborough.

Although I'm speaking as an individual, I would like you to understand that I'm reflecting the thinking of a

number of organizations of which I am a part, including the Peterborough Poverty Reduction Network, the Affordable Housing Action Committee and a number of non-profit housing providers that I've worked with over the years, including a brand new one that I'll refer to in my comments. I have been volunteering in this kind of work for over 30 years. Over that time, I've learned a great deal.

You heard previously from two of our Poverty Reduction Network employees: wonderful, very bright young women who are working with us on these issues of poverty. I would like you to know that they're both graduates of Trent University, and we're very proud of them.

I want to address the interrelationships among housing affordability, incomes and poverty. Because this consultation is related to the provincial budget, my comments will focus on the economic costs. However, I hope you understand that underlying what I will say is a profound concern that unless governments act, as a society we are condemning more and more people to a life of poverty.

It's vitally important that the provincial government and all three parties understand and appreciate just how seriously the lack of adequate, appropriate, accessible and affordable rental housing is impacting on the lives of low- and very-low-income people. As you will hear again and as you've heard already, for those of us working in this area, our sense is that Peterborough is facing a crisis that will likely get worse over the next few months. On the one hand, there's virtually no new decent housing being created that many low-income people can afford, and on the other hand, levels of income from all sources are so low that folks are unable to afford what housing is available without significant subsidies.

We've tried to summarize this concept. I'll just read it to you:

"Critics and detractors of rent supplements will draw attention to the requirement for continuous funding. Support of the physical infrastructure of our community likewise requires continuous and constant funding." I'm sure you're only too aware of the importance of that. "What we fail to acknowledge is the existence of a 'social infrastructure.' Social infrastructure requires continuous monitoring and inputs in order to keep it healthy and functioning. The returns for this type of support can be significant as measured in reduced costs in health, social services, and police services. Supporting social infrastructure is an economic investment. When people can better engage in their community, the local economy is bolstered. Investments in social infrastructure create another type of health called social cohesion—the opposite of social fragmentation."

All governments know the issues. Report after report has identified the need for housing that people can afford and the costs of the support services that people need. Actions have been outlined and recommendations have been made. In my experience, it remains the elephant in both the social and economic rooms, not just the social room. Housing has been orphaned—very often, especial-

ly affordable housing—from other major issues. However, this crisis in availability and affordability is at the root of many of our social and economic problems. Governments must act in partnership, including the strength of community organizations. I want to stress the importance of recognizing the non-profit sector, especially in this area, as a vital and important partner in going forward with some of these issues.

In Ontario, some municipalities, including this one, have been working with a strong, active and generous community, and have made significant efforts to deal with the problem. I would commend this particular community and the leadership at the municipal level for the efforts that they in fact have made to assist in dealing with some of these issues around housing. But municipalities, as you all know—and I would guess that some of you have been on municipal councils—just cannot afford the cost of closing the housing and income gaps.

Based on the 2011 national household survey, there are 47,240 people in the Peterborough census metropolitan area who have individual, before-tax incomes less than \$29,000. More than 29,000 people have annual incomes below \$15,000, including 8,515 individuals with an income under \$5,000. In this CMA, according to the national household survey, 4,335 individuals have no income at all. The median employment income in this area is \$46,164 and the median household income is \$58,314.

I have provided you with copies of the 2012 and 2013 Housing Is Fundamental. This is a research document that we have been publishing for about nine years now through the Affordable Housing Action Committee, which is a committee of citizen volunteers that advises city and county council on issues related to affordable housing. The document provides current research on the housing and poverty crisis for municipal councillors and the public.

I'd like you, if you would, please, to turn to page 11 of the 2012 document—that's the blue one—and page 3 of the 2013 document. These are Peterborough numbers based on the most recent information that we've been able to obtain. The first one, on the blue copy, the 2012 document, indicates the low-income cut-off numbers, and the second column indicates the level of income needed to afford a monthly rent at 30% of gross income. As you can see across the way, you can see the various costs and, at the far right-hand side, the supplement required to make rent affordable. That's in this particular community—city and county. I'll come back to that in a moment.

In the 2013 document, we've provided the current social assistance rates. These are, as you know, determined by the province, and they give you some indication of what the current rates are. I'd like you to keep this chart at hand as I continue in my presentation.

Here's a story that I want to use to illustrate some of the challenges that those of us in the non-profit sector are facing. I'm on the finance committee of a new non-profit organization. We are in the process of converting a

former convent into a community centre. We have taken this initiative on our own, with our own resources and our own volunteer assistants. The first phase of the project is to develop 47 apartments, a mix of market and below-market units.

**1100**

Recently, we met with the executive director of a major housing provider serving vulnerable tenants who are receiving assistance through the Ontario Disability Support Program. The provider has expressed an interest in working with us to develop five totally accessible bachelor apartments for individuals in wheelchairs.

In order to help our organization determine a rent level that we can live with and that we think is close to being affordable, we've been using research from the Canada Mortgage and Housing Corp. as the basis for our analysis. There are, as you may know, three levels to CMHC's affordability scale.

Suggested level 3 rents are based on 80% of market rents for the Peterborough CMA. For Peterborough, this would suggest \$621, 80% of market. A person on ODSP receives \$1,075 a month. The maximum shelter rate allowed for a single person on ODSP is \$479. In order for this person to pay no more than 30% of income, the benchmark for housing affordability, a subsidy of \$142 a month would be required.

Annually, we as an organization would need an additional \$1,704 each year for each unit, and a total of \$8,520 each year for the five units. We want to provide 25 to 27 units of the proposed 47 at a variety of sub-market rents. We estimate that we would need an additional \$75,000 to \$100,000 each year in order to subsidize rents for low-income tenants in these particular units.

The question we are left with is: Where will this money come from? I know I'm running out of time, but I was going to leave you with the question of what you would suggest for where we get the money from.

**The Chair (Mr. Kevin Daniel Flynn):** There is a minute left, and the questioning would come from the NDP. Jonah? Michael?

**Mr. Michael Prue:** We've had several presenters say that maybe we should just up the income tax for the very rich, and get some money.

But I wanted to take the minute—because I don't think there's time to respond—to commend you for the Sisters of St. Joseph application and what you're doing there. I had the opportunity to tour that, and it is phenomenal what this very small city, with a dedicated core of volunteers, is proposing to do.

If there was more time today, I would invite all the members to go over there and take a look at how a group of individuals with very little resources are developing housing at a time when very little is being built in this province. I just want to commend you for that, just so that everybody knows the terrific job you're doing.

**Mr. John Martyn:** Thanks very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, John. Thank you for your wonderful presentation.

**Mr. John Martyn:** We are offering a very interesting social financing plan that includes community bonds, and I'd be very glad to talk to anybody who's interested.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much, John. I'm sure somebody will take you up on that.

#### NO CASINO PETERBOROUGH

**The Chair (Mr. Kevin Daniel Flynn):** Is Carleen Johnson in the room? Carleen from No Casino Peterborough, if you'd like to come forward. Make yourself comfortable there. Thank you, Carleen. Like everybody else, you have 15 minutes. Use that any way you see fit. If there's any time left over at the end, the questions will come from the government side.

**Ms. Carleen Johnson:** Thank you for coming to Peterborough.

Gambling action is everywhere: lotteries, casinos, Internet gambling, horse racing and sports lotteries.

Committee Chair, honourable members of the committee, fellow guests, in a 2000 YouTube video titled "the reason people keep losing at casinos," John Coppa describes the operation of a casino. Casinos are in the business to make money. They have set up an elaborate trap: no clock, no day, no night, no windows; a twilight zone, an adult Disneyland of the world; all luck; an environment of unrealistic goals. To get to the bathrooms, to get the free meal, they guide you through a maze—guiding you to where they want you to go.

John Coppa continues: Everything is an illusion. You are not using your money. At the slots, you use credits. At table games, you use chips.

On behalf of No Casino Peterborough, I am asking the Ontario government to abolish Ontario Lottery and Gaming's modernization plan to expand its casino projects announced in 2012, including 29 gaming zones that involve private operators and online gaming.

Economics: Robert Williams, a health sciences professor at the University of Lethbridge and a research coordinator for the Alberta Gambling Research Institute, states: "Because of this peculiar situation where the bulk of the patronage (in Ontario casinos) comes from the local municipality, but the money is directed at the provincial level or the operator level and is taken out of the community, there's always going to be a net ... loss to the local economy."

The Rotman School of Management's Martin Prosperity Institute at the University of Toronto studied the potential economic impact of casinos in Toronto. They identified 27 studies indicating the costs produced by casinos outweigh the benefits by two to seven. Its conclusions are damning: "[S]o far, all we have are numbers—lots and lots of numbers. The important thing is that all of them are meaningless."

Richard Florida, the institute's director, said that casinos are the wrong message for a city to send. They smack of desperation. Casinos aren't for cities on their way up; they're for cities out of options. Casino business

is an inefficient transfer of money from middle- and lower-income groups.

OLG states that 5% of the gambling revenue—which is an optimistic estimate, about \$4 million per year—will come to Peterborough. But the OLG cannot have a business plan until the private consortiums are in place. Private operators, not OLG, will decide how the money is distributed, and the hosting community will be at the bottom.

How does the OLG spend its money? Rod Phillips's wages have increased by 73% more than his predecessor in 2008. The total compensation for the 10 highest-paid executives at the OLG jumped 49% in 2012 from 2010. The OLG payroll costs totalled \$950 million in fiscal 2012, unchanged from 2011, but the agency's head count shrank by 800 employees. There were 287 OLG employees on the sunshine list for the 2012 fiscal year. Some 60% of Ontario's gambling revenue went toward operating expenses. In the rest of Canada, it's at 25% to 51%.

Social factors: Virtually all the social problems that result from gambling come from the problem/addicted gambler. By most estimates, only 1% to 3% of the people who gamble have a problem. That percentage is 4% to 6% in the immediate vicinity of a casino. Casino employees have problem gambling rates three times higher than the general population.

#### 1110

Problem/addicted gamblers make up 35% to 50% of the total revenue of every casino and 60% of the slot machine revenue. In her video *Gambling on Gambling*, Sandy Garossino says, "Slot machines are the crack cocaine of the casino business."

A casino can only make a profit by promoting and catering to problem gamblers. The OLG does this shamelessly. It spends \$500 million a year on incentives, rewards, marketing and promotion aimed at problem gamblers. Even more shamelessly, as profits go down, the OLG is extending their player base reach to new populations. "OLG is continuing to work on broadening its player base to ensure it includes the younger generation of adults as well as new Canadians. The introduction of Poker Lotto"—I wouldn't want to say that 10 times—"was the first of a series of planned innovative product developments designed to appeal to these important demographic groups." That comes from the OLG's 2010-11 annual report.

These two demographics are also at higher risk for addiction. New Canadians are more likely to experience unemployment or underemployment, which can lead to poverty and increased financial risk-taking. Newcomers gambling online may also experience high levels of social isolation, which can contribute to problem gambling.

Young people tend to rely on fixed incomes and may miscalculate gambling odds. A study of students in Lethbridge, Alberta, found that 7.5% were problem or pathological gamblers. Young people who are problem gamblers are more likely to report concurrent substance abuse and an increased presence of mental health problems and attempted suicides. Former crown prosecutor

Sandy Garossino looks at youth gambling in her video *Gambling on Gambling*.

Centre for Addiction and Mental Health statistics: 29,000 youth in grades 7 to 12 exhibit signs of problem gambling. They were 11 times more likely to carry weapons and engage in gang violence and 17 times more likely to have attempted suicide last year.

Is this the way you want your government-issued student loans spent? We are working with the Trent Central Student Association and will be making a presentation to the board next week. If we are successful, the student association's board is going to work with student boards across the province and the rest of Canada. It will give 600,000 youth a vote against gambling in Ontario and Canada.

Sandy continues, "The social costs of gaming outweigh the benefits."

Organized crime: Senior policing experts in BC state that the highest concentration of gangsters found outside of the prison system is in casinos. Victims of organized crime don't call the police. The information comes from bankruptcy lawyers. Loan sharks have staff on the gaming floors 24/7, mostly in the high-roller rooms. They charge 20% per week. If the debt isn't paid, they teach the gambler and/or his family how to embezzle from employers and teach credit card fraud or drug dealing.

Employment: Research in Massachusetts by Baxandall and Sacerdote shows there is little difference between employment rates in communities between those that have a casino and those that don't. Most jobs tend to be low-paying, non-union contract work with no benefits and long, irregular shifts, including evenings, nights and weekends, which has been shown in multiple studies to be detrimental to family life. Studies of casino employees have found a threefold increase in problem gambling rates and higher rates of alcoholism and depression than in the general adult population.

Response from the citizens of Ontario to build a casino in their city: Toronto city council, no, 40-4; Markham, no, 9-4; Vaughan, no, 5-4; Waterloo region, official no, December 12.

Response from the citizens of Peterborough: Your handout includes a document that was presented by No Casino Peterborough to the mayor's assistant, nine city councillors and township councils in Peterborough county regarding our concerns about the consequences of establishing a casino in Peterborough. Your handout also includes statements from health care workers and 77 members of a diverse faith community who signed a statement against a casino; 2,300 Peterborough citizens signed a petition against a casino.

Public meetings were held on March 5 and 18 with overwhelming objection. On April 13, an online Examiner poll showed that 65% said no. In May, this year, Professor Trevor Denton conducted a telephone poll: 68% said no. In the Peterborough Examiner from March to July of last year, letters to the editor showed 37 opposed and three in support of a casino in the city.

This country was built on industry, jobs and hard work. Until we get back to the basic work ethic, the government has failed its citizens. Find legitimate jobs for people, not jobs based on the backs of those who can ill afford it.

In a 2007 report entitled *A Game of Trust*, Ombudsman André Marin stated, "By getting into the gaming business, the province has not only acquired a huge pool of money, it has taken charge of an activity that remains criminal if undertaken privately because of its inherent risks of corruption and abuse of the vulnerable."

He further states, the OLG "is very good at making promises—after all, it is well versed in convincing Ontarians to follow the dream of the big win."

We are counting on Premier Kathleen Wynne, Jeff Leal and the other government leaders to abolish the OLG modernization plan. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Carleen, and you've left about two minutes. So which one of you goes first? Bas?

**Mr. Bas Balkissoon:** Thank you, Mr. Chair. Let me say thank you very much for your presentation: well researched; your numbers are well given to us. But are you aware that the government's position is, and the Premier has stated it more than once, that the municipalities will decide, if there will be a friendly host municipality, on any decisions to be a host of a casino? Can you tell us, beyond the letters that you've sent in the local municipality, what has been your discussion with the mayor and the council, and have they ever entertained a public meeting at all to deal with casinos?

**Ms. Carleen Johnson:** Of course, the meetings in March were public meetings, and it was an astounding "no." Our position is that we elected our councillors. The casino issue wasn't an issue during the election three years ago, and so it wasn't something that we said to our councillors "yea" or "nay." There is a document attached, and that has been given to nine of the councillors—one just refuses to see us—and the mayor's assistant.

The other thing is, we don't understand, and we have tried to talk to the OLG and say that when there's still around 65% to 68% of the people in any poll saying no, and you say, "We'll only go where we're wanted"—that says you're not wanted here. But then they go into—and I didn't bring that information with me because I thought a former person was speaking about this—a piece of the article that said that council can decide. We say, "We're the council; we elected them."

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Carleen. I think you've made your point very clear. Thank you for coming today.

#### NORTHUMBERLAND COMMUNITY LEGAL CENTRE

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Northumberland legal community centre. Teresa, if you'd like to come forward; make yourself comfortable.

**Ms. Teresa Williams:** It's the Northumberland Community Legal Centre.

**The Chair (Mr. Kevin Daniel Flynn):** Northumberland legal community—wait, what did I say?

**Ms. Teresa Williams:** That's what you said. "Community" comes first.

1120

**The Chair (Mr. Kevin Daniel Flynn):** Oh, I'm sorry. Okay. Community legal centre. We got it.

Like everybody else: 15 minutes. You use that any way you see fit. If you leave any time at the end, the questions will come from the Conservative Party. Thanks for coming.

**Ms. Teresa Williams:** Good morning. Thank you for the opportunity to speak. I don't have 25 copies because I've actually just been sitting here editing what I was going to say.

As mentioned, my name is Teresa Williams. I'm a community legal worker for the Northumberland Community Legal Centre. We are south and even a little bit west of here. We have a large rural population.

As you know, community legal clinics practise poverty law. We assist people with their social assistance matters, WSIB, Criminal Injuries Compensation Board claims and human rights matters, among others—some federal programs.

Today, we're here to ensure that you understand the hardship that the cancellation of two of the social assistance programs has caused our clientele.

The rates of social assistance, you may know, are well below the poverty line, already causing undue hardship to many families in Ontario. In 2012, funding was cut to two important programs that recipients of Ontario Works benefits and Ontario Disability Support Program benefits relied on. Those two programs were the community start-up benefits and the home repair benefits. People in receipt of social assistance, especially those who cannot work, are among the most vulnerable people in Ontario. Without these benefits, they're at an even greater risk than they already were of becoming homeless.

The Community Start-up and Maintenance Benefit assisted people with moving costs, utility costs, setting up a home etc. People, with or without children, leaving shelters were able to use this funding, to use it as first and last month's rent. People who are leaving institutions—hospitals, jails etc.—were able to use it for somewhere to move into. Rural Ontarians, particularly those without transportation services, which are many of our residents of Northumberland, require assistance, trucks, for moving.

While a lesser amount of funding has been available to municipalities for the past year, the benefit is discretionary. It's a patchwork throughout the province. It's not uniform, and it ought to be uniform. As such, one person can make a discretionary decision—it may even be based on whether or not they dislike a person, or that they find this particular person is undeserving for some reason or another—to deny benefits. These decisions can't be appealed to the Social Benefits Tribunal. Discretionary

benefits can't be appealed. You can request an internal review, but doing so puts the decision before a colleague of the person who made the decision in the first place.

**Home repairs:** In many cases, disabled persons have had to make sure their homes are barrier-free. If an issue of a home repair comes up—for example, if your roof leaks—that disabled person is then forced to stay in a home with that leaky roof or a broken window. Many rural homeowners use a wood stove or an oil tank to heat their homes. For our rural homeowners who heat their homes with oil, their tanks must be certified. The oil companies will not deliver if the tanks are not certified. Also, the oil companies won't deliver partial amounts; it's a full tank or nothing. So in many cases, our rural clientele have been forced to purchase diesel fuel from gas stations and put it in their unsafe oil-burning tanks. For our clients with wood stoves, the funding would allow them to ensure the safety of their wood stove. People are forced to burn wood in inefficient or unsafe wood stoves, which poses a risk of fire and, of course, carbon monoxide.

Outstanding home maintenance may lead to higher utility costs. If you have a broken window or a leaky roof, presumably your heat costs increase. If you have a leaky tap, your water bill will increase if you're in town.

An important recommendation that the Commission for the Review of Social Assistance made in its report was providing greater access to housing for social assistance recipients. Without an allowance for the community start-up and the home repairs, this access has been erased. We submit that reinstating the community start-up and home repairs benefits is, in fact, a greater access to housing. Further, it's cost-effective to the municipalities, as restoring the funding to maintain current housing prevents people from having to move and request even more funding.

We urge this standing committee and the ministry to consider Ontario's Poverty Reduction Strategy, as well as the recommendations from the Commission for the Review of Social Assistance, when discussing funding for social assistance.

Recently, there has been much media about the health care costs of poverty. In a recent report by the Canadian Medical Association, they state that poverty is one of the biggest barriers to good health. Other associations recognize the health impacts of poverty on poor people. Legal clinics, as well as other agencies who work with people in poverty, can actually see the effects that the poverty has on their health.

Lastly, I would just like to submit that amalgamating ODSP with the municipalities would have the same punitive effect of one person making a decision and it being patchwork and not uniform within the province.

Thank you.

**The Acting Chair (Mr. Bas Balkissoon):** Thank you very much. We have about eight minutes. Mr. Holyday.

**Mr. Douglas C. Holyday:** The concern about the less fortunate and the poverty, the people being able to pay their bills, concerns me greatly. The province has put forward a proposal where they want to implement new

taxes to pay for transit in Toronto and other places: 10 cents a litre on gas. I'm just wondering what you think of something like that.

**Mr. Joe Dickson:** Cancel the transit.

**Ms. Teresa Williams:** No, no. I wouldn't ever say, "Cancel the transit," although I would say that using gas tax for municipalities as well would assist. I fear that regions outside of Toronto will find the province being Toronto-centric. Most recently, the entire town of Port Hope, which is within Northumberland county, was without hydro for at least 16 hours, but only 100 of the gift cards came this way. So I would like to see a balance throughout the province—maybe a smaller portion of the tax to the transit in Toronto.

**Mr. Douglas C. Holyday:** Well, I'm just worrying about its effect on the people already suffering from poverty. I know a lot of people, young people, just barely making ends meet, paying their rent and putting food on the table and perhaps a child or two in daycare, but they do have a car, and this is just going to be an added tax on them. There's no differentiating between who they are: If they buy gas, they're going to pay this tax. It's definitely going to have an effect on people like that.

**Ms. Teresa Williams:** It will.

**Mr. Douglas C. Holyday:** I'm just wondering whether you think it would be wise to go ahead and do this.

**Ms. Teresa Williams:** I'm of two minds, because the transportation is important. We see ourselves, in Northumberland county, that our rural communities can't get to the centres for employment. So it's great for that reason, but I would prefer to see it go into health care or poverty reduction.

**Mr. Douglas C. Holyday:** Thanks a lot.

**Ms. Laurie Scott:** I'll just follow up with a couple of questions about what Doug was talking about in the cost of gas. So we're in rural ridings—Northumberland, myself. I run into young people all the time who can't afford the car insurance, let alone the increase in gas, so therefore they can't get to jobs. They can't get to any possible apprenticeship training either. So it's kind of that cycle you're talking about around poverty, right? If we can't help them get jobs, which is the best way to help people out of poverty, to get them good-paying jobs, we run into this—you can comment on that if you want. I see you want to speak.

**Ms. Teresa Williams:** Well, I was again going to say that some are unable to get the job. So while some are looking for work, and employment is their means from poverty—that raises a whole other question about minimum wage—they are not all able to work. The disabilities have to be recognized as well.

**Ms. Laurie Scott:** No question. I agree, and I agree that when they changed the discretionary benefits, it hurt those most vulnerable. We did not support that. Some municipalities could fill the gap; some could not. But it did hit the most vulnerable people who are out there.

1130

I wanted to ask you this, just for a little bit of clarification, and I'm sorry if I just wasn't paying attention

closely: When you were talking about the heating, were you talking about the fact that if their oil tank isn't up to the code, then they can't get oil and then they go to the diesel—

**Ms. Teresa Williams:** To a gas station and fill a gas can.

**Ms. Laurie Scott:** Yes. I'm having trouble across rural Ontario, with the closure of small gas stations and the closure of marinas on lakes. That is exactly what's happening: The jerry can comes up and you fill it up, and jerry cans always leak, so you're actually not helping the environment at all. I know it seems like a small thing, but it's a huge thing when small employers like gas stations close down in towns. It affects all of these small towns, right? If there's no gas station, people do not come.

**Ms. Teresa Williams:** Right. I would agree.

**Ms. Laurie Scott:** You were saying then they go to wood. Do you find that they don't have safe wood stoves? When you were talking about the home repairs—

**Ms. Teresa Williams:** They were two separate things.

**Ms. Laurie Scott:** Yes, okay.

**Ms. Teresa Williams:** They don't then go to wood, but people with wood stoves—

**Ms. Laurie Scott:** Right.

**Ms. Teresa Williams:** Yes, they are often unsafe.

**Ms. Laurie Scott:** Because they can't afford to get—because of that gap in funding, which was the home repairs for disabled persons. Is that what you were talking about?

**Ms. Teresa Williams:** Right, right.

**Ms. Laurie Scott:** Okay.

**Ms. Teresa Williams:** Home repairs for all social assistance, but definitely disabled persons.

**Ms. Laurie Scott:** Yes, for sure, those are the most vulnerable. Do you feel that, in the last 10 years, unemployment has certainly come back to Northumberland? Do you see that?

**Ms. Teresa Williams:** Yes.

**Ms. Laurie Scott:** Can you give me a range?

**Ms. Teresa Williams:** I have no idea. I can't find local statistics. I do know that, typically, we've been a percentage higher than the national average, over the past four years anyway, but I can't actually find numbers anywhere.

**Ms. Laurie Scott:** It's very hard to break it down.

**Ms. Teresa Williams:** We have a very hard time getting stats for the number of requests even for the home repairs or the discretionary funding that is now available. We don't have numbers.

**Ms. Laurie Scott:** Yes, it's traditionally—Northumberland would be included, and Peterborough and certainly up in Haliburton-Kawartha Lakes-Brock—higher-than-average unemployment rates, which is—

**Ms. Teresa Williams:** Right. We've seen it. I've been trying to work myself out of a job. I find I'm now working myself into an illness.

**Ms. Laurie Scott:** Okay. Was there anything else you wanted to add onto your comments? Yes, it's fine.

**Ms. Teresa Williams:** I specifically kept it short so that I didn't wander off about minimum wage and increasing the rates etc., etc.

**Ms. Laurie Scott:** Yes. It's a very fine line, because you don't want to increase the minimum wage to a certain amount that businesses won't hire anybody, right? It's a balancing act.

We want to create better-paying jobs in the province. The transportation for rural people, rural kids, to get to those is a challenge. That's why Doug has asked about the 10-cents-a-litre gas increase.

**Ms. Teresa Williams:** Right, yes.

**Mr. Douglas C. Holyday:** Is there still time left?

**The Acting Chair (Mr. Bas Balkissoon):** You've got about 30 seconds.

**Ms. Laurie Scott:** Sorry, Doug.

**Mr. Douglas C. Holyday:** I just was wondering about the minimum wage and the effect on students. Would you want that minimum wage to apply to students as well, the increase to \$14?

**Ms. Teresa Williams:** Yes, I would want it, of course, in a dream world. But I recognize that it's not likely to happen, so I would like to see it at least \$10.50 for students—at the very least.

**Mr. Douglas C. Holyday:** Thank you.

**The Acting Chair (Mr. Bas Balkissoon):** Thank you very much, and thank you for coming today and sharing your thoughts.

**Ms. Teresa Williams:** Who do I send the—

*Interjection.*

**Ms. Teresa Williams:** To you? Okay. Thank you. I have your information.

#### PETERBOROUGH COMMUNITY LEGAL CENTRE

**The Acting Chair (Mr. Bas Balkissoon):** If I could call the next person, Martha Macfie, from the Peterborough Community Legal Centre.

**Ms. Martha Macfie:** Thank you. Good morning. A copy of my presentation is being distributed to you, and you'll note on the back, stapled, is my business card.

The Peterborough Community Legal Centre is a legal clinic funded by Legal Aid Ontario. Since 1989, our mandate has been to advocate on behalf of people living on low incomes in Peterborough city and county.

*Interruption.*

**The Acting Chair (Mr. Bas Balkissoon):** Sorry about that.

**Ms. Martha Macfie:** Okay.

**Mr. Victor Fedeli:** You're done.

*Interjections.*

**Ms. Martha Macfie:** I'm just going to go beyond my time here.

**The Chair (Mr. Kevin Daniel Flynn):** That's right. Just keep going.

**Ms. Martha Macfie:** We strive to reduce poverty and to promote access to justice for the most vulnerable members of our community. We focus our efforts on

achieving income and housing security for our clients through legal representation and advice, community development, public legal education and law reform initiatives.

I'm going to make some comments on budget 2012. You heard the previous speaker, so some of this is not going to be new to you, but my theory here is that you need to keep hearing it because this is a huge issue for our clients. The more times you get to listen to this issue then I think the more likelihood there is that we will actually make the right changes.

Budget 2012 was a blow to individuals and families who are forced to rely on social assistance. A 1% rate increase was more than offset by cuts to provincial funding of discretionary benefits effective July 1, 2012, and the removal of the critically important Community Start-up and Maintenance Benefit, popularly referred to as CSUMB, from social assistance as of January 1, 2013. CSUMB was a key part of both OW and ODSP programs. It was a mandatory benefit providing limited funding to establish a new residence or deal with a housing emergency. Funding was most frequently accessed for last-month rent deposits, utility deposits, moving costs, periodic help with rent or utility arrears, or to replace appliances or furniture after a fire or flood, as we had here in Peterborough, or bedbug infestations.

Funding for CSUMB was cost-shared with municipalities, and, critically, it was a mandatory needs-based benefit that was client-centred. So it was not a flat funding program or benefit. A community did not receive a flat amount. If there was need in a community, for example, to deal with something like a flood, additional funding could be provided.

CSUMB was replaced by reduced funding within a new funding model as of January 1, 2013. Under the new model, total provincial funding was cut by 50% and capped. Funding and delivery was taken out of social assistance. The province provides envelope-style funding to municipalities. Municipalities theoretically have flexibility in expanding provincial dollars but they have few restrictions or requirements as to how they do so.

Providing housing assistance is discretionary—it is not related to need—and decisions to deny assistance cannot be appealed. There is no requirement that municipalities cost-share this funding.

These cuts to provincial funding of housing benefits and a flawed new delivery model are indefensible in every way but one, and that is as a cost-cutting measure—austerity, we keep hearing.

Tara-Lyn, a previous presenter, described the dramatic reductions to housing stability benefits since 2012 and provided you with a handout, so I'm not going to go over the details that you have in the copy of my presentation, but I do need to note that given the flawed funding model, it was totally predictable that not all the provincial dollars would find their way into the municipalities' Housing Stability Fund, which is the CSUMB replacement fund.

We're one year in, and we knew that it would take a few months to see the real impacts of these horrific cuts.

To date, we have observed the following impacts: a patchwork of benefits across the province; a lack of consistency in decision-making at the local level between OW caseworkers; people who receive ODSP can no longer get housing assistance from their caseworker and must go to a different office and speak to a stranger. This is particularly difficult for people with mental health problems and contributes to the growing welfarization of disability. Legal Aid Ontario has just produced a background report because they're embarking on a mental health strategy, and they've referenced some of the data from the social assistance review commission that noted that the majority of legal aid clients and the significant majority of legal clinic clients have mental health disabilities. So for these folks who develop a relationship with their caseworker at ODSP to now have to trundle down the street to a strange office and deal with strange people in a different program—it is part of the welfarization of disability.

We noticed increased evictions due to arrears of rent. We looked at our stats. We provide a Tenant Duty Counsel Program at the Landlord and Tenant Board. In Peterborough, the number of L1 applications—these are applications by a landlord to evict a tenant for arrears of rent—on the Landlord and Tenant Board docket increased by 33%, April to September, 2013 over the same period in 2012. That's a huge increase. What we're also seeing is that the number of Landlord and Tenant Board hearing dates has gone up. The majority of matters on those dockets are applications to evict for arrears of rent. Instead of 33 or 34 hearing dates in Peterborough, there are now 48, and on a given docket, there might be an average of 15 to 20 matters. That's a huge increase in the number of eviction applications for arrears of rent. I spoke to a mediator last week at the Landlord and Tenant Board. She says it's happening across the province. She identified the cancellation of community start-up and maintenance as the culprit here. This is costing us, the cancellation of this critical benefit.

#### 1140

More of our clients are remaining in unsafe housing due to lack of maintenance and if there's domestic violence because they don't have the money to get out. They do not have the housing funds to get out of those situations. We're noting deeper poverty and situational crisis with our clients.

Low-income residents in Peterborough have become the victims of a political shell game. When we speak to our MPP, Jeff Leal, and to Minister McMeekin, we are told that the municipality should use some of the savings that it has realized since 2010 from the upload of caseload costs of OW and ODSP to the province and that these funds and upload savings should cover provincial funding cuts to things like discretionary benefits and the cancellation of CSUMB. But when we speak to the municipality, we are told, "We are not responsible for this problem. This is the province's doing. We don't have the money. The upload savings are being used elsewhere." They say that in 2010—actually, it was in 2008, I

believe, when they negotiated for those uploads. They say, "We were told we could use this for roads and bridges and potholes. We weren't told that we were going to have to use it for social assistance costs." Another point that they make is that if we have good benefits here in Peterborough, then poor people from the surrounding communities and counties will flood our community to access them. There's the rationalization to not put the money into these benefits.

Our recommendation for budget 2014 is—and this is our key recommendation: Put housing benefits back into social assistance. The removal of CSUMB from OW and ODSP was a mistake, and it's had terrible impacts on individuals and families on social assistance. The change runs contrary to the tri-party goal of poverty reduction.

In the short term, 2014, the legal centre asks that budget 2014 include \$42 million in transitional funding to municipalities for 2014, with the requirement that municipalities use all provincial funding intended for CSUMB-like benefits for that purpose. We want to put money in the pockets of our clients. The reality is that that money gets spent immediately in the community. It goes to landlords. It goes to moving companies. It goes to retailers that are selling furniture when furniture needs to be replaced or whatever. In the longer term—for us, that's budget 2015 because we think we have to move quickly on this—CSUMB should be reinstated as a mandatory, needs-based, social assistance benefit.

Our further recommendations for budget 2014 are as follows. First, a comment on budget 2013: There were some positive changes for people on low incomes in that budget. There was a modest increase to social assistance rates, increased employment exemptions for both OW and ODSP, and increased asset exemptions and gift exemptions for people receiving OW. The legal centre recommends that budget 2014 build on this momentum with the following changes.

Treat child support payments as earned income and make pursuit of child support voluntary. This would encourage women to pursue support in order to increase their incomes, while at the same time it would protect those who are at risk of violence. So you understand: If you treat it as earned income, then the first \$200 would be exempt; it would not be deducted from social assistance and then thereafter would be deducted at a rate of 50%. This would encourage women to seek support, but it would not penalize and force women who are in fear of violence to have to pursue support.

Treat Canada pension plan disability benefits as earned income. This would encourage people on OW and ODSP to pursue CPP in order to increase their incomes, and it could, in fact, lead to an overall reduction in social assistance expenditures as more folks access Canada pension disability.

Increase the Ontario Child Benefit by \$100 in order to benefit all low-income families, including those on social assistance. In 2014, we call on the government to stop the practice of clawing back the OCB increase from families on social assistance through cuts to basic rates. That is

just not defensible. By doing that, the government is saying that they will claw back from the poorest of the poor in this province.

Enhance the special diet allowance to include some discretion where a worsening of a health condition can be slowed or stopped through diet. In these instances, funding a special diet would save the province future health care costs. One example—my client—of this would be to provide a special diet allowance to a person with an impaired kidney function to cover the costs of a renal diet in order to avoid further deterioration and future need for dialysis, which would be hugely expensive. My client was born with one kidney, and her second kidney is not operating very well. But it's operating just well enough to put her above the cut-off level. She takes from every other area of her budget—which is meagre; she's on ODSP—to pay for a renal diet because she has to have a renal diet. She has a whole host of health care problems, and this is just one of many. It's just ridiculous that she does not get additional funding for a special diet for her condition.

Of course, the old favourite that you've no doubt heard over and over again: Increase OW and ODSP rates. Poverty occurs when incomes are inadequate, and I suspect nobody here is going to argue and suggest that OW and ODSP rates are adequate. Until the province determines a measure of adequacy, as suggested by the social assistance review commission, and until it develops a plan to achieve adequacy, rates should be increased annually by 3% for all recipients of OW and ODSP and for their dependent family members. Of course, last year, the 1% rate increase for recipients of ODSP did not extend to their dependent spouses and children, which was very odd. It looks again like the welfareization of disability.

Diverting funds from one group of recipients to fund and increase assistance for others is simply not acceptable. You don't reduce poverty by taking funding from one group of poor people and giving it to another group of poor people. We have to be more creative, and if it requires a gas tax, I'm all in favour of it, quite frankly—just to comment on the previous question.

I would like to thank you for the opportunity to make this presentation. We look forward to a 2014 budget that has a focus on poverty reduction.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Martha. Thank you very much. There's time for a very, very short question or a thank you or a—Jonah?

**Mr. Jonah Schein:** Sure. How much time do I have?

**The Chair (Mr. Kevin Daniel Flynn):** Thirty seconds.

**Mr. Jonah Schein:** Thank you for your persistence in coming in and delivering this message year after year. It's important; I hope it's heard soon.

Do you have any quick comment on, in the recent ice storm emergency, if CSUMB would have played any role compared to the kind of problem we had with cards?

**Ms. Martha Macfie:** Yes. Probably more in the form of discretionary benefits, although—

*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** Finish that sentence.

**Ms. Martha Macfie:** Okay. I'm trying to think whether it would have played—it probably would have, in terms of accessing vital services and heat utilities and that sort of thing, and alternative sources of those things to cover during that period.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Martha. Thank you very much for coming today.

**Ms. Martha Macfie:** Thank you.

## SAVELOCALSCHOOLS

**The Chair (Mr. Kevin Daniel Flynn):** Let's move on. Our next delegation is Bill Templeman. Bill, if you'd like to come forward and make yourself comfortable; 15 minutes like everybody else. Use that time any way you see fit. If there is any time at the end, the questions will come from the government side this time. The floor is all yours, Bill.

**Mr. Bill Templeman:** Thank you very much, Mr. Chair. Rather than launch into a formal presentation—I know that 15 minutes is a ridiculously short time to have a discussion, but I would welcome to the extent that my suggestion meets the protocols of your committee that we have a dialogue, because this is very complex material. It's hard to cover briefly.

Anyway, to introduce, my name is Bill Templeman. I'm with, actually—

**The Chair (Mr. Kevin Daniel Flynn):** Bill, before you go on, just so you're clear on how we operate here: What happens is, for each of the delegations, the questioning is assigned to one party, so your chances of achieving a dialogue are probably slim. If you could gear your remarks to the entire committee, the questions will still come from this side.

1150

**Mr. Bill Templeman:** Absolutely. Great, thank you.

I'm with SaveLocalSchools, a group of interested community members and parents concerned about current Ministry of Education and school board policy towards dealing with the low enrolment problem across Ontario. A soft copy of this document will be forwarded at a later date, before January 23. Of course, there's more information on our website, which is noted there right at the top of the single sheet.

The context is—and let me set that for you—the Ministry of Education and local school boards across Ontario are confronting a low-enrolment crisis, if you will. The birth rate is dropping, and except for areas that are experiencing significant immigration—the GTA, for example—school populations are dropping across the province. The MOE is responding to this crisis by appearing to do nothing to prevent school boards from closing neighbourhood schools and older schools in favour of consolidated programs and busing students to large regional schools. The MOE—Ministry of Education—is failing to intervene in school board decisions to enforce cost effectiveness.

The recommendations I'm going to put forward for budget 2014 and going forward have to do with sorting out this very complex relationship between the ministry and local school boards to drive more cost effectiveness in decision-making.

To walk through the individual points: Low enrolment, of course, is a huge challenge for educators and schools and communities. Half-empty schools really limit programming options. For example, in a school of 1,000, 1,200 or 1,500 students, you can offer German, you can offer advanced calculus, you can offer robotics. In a school of 500 to 600, it's much more difficult—also for mandatory courses, even. Certain French courses that you need to graduate—in a large school you can offer them every semester. Well, you can't offer them every semester in smaller schools. There is a bias in the system towards larger schools being, from a managerial point, more effective. Half-empty schools, of course, have building costs. This is all, of course, driven by the MOE's funding formula.

The MOE's response to the situation is school consolidation: busing of students to offer more programming options in bigger schools. The MOE's vision, as far as we can ascertain, is that every secondary school, and indeed elementary school, can offer the full Ontario curriculum. Administratively, that's very attractive, to be able to offer the breadth and depth of the Ontario curriculum. Practically, it's unworkable because not all schools have to be all things to all students. Our experience here in Peterborough is that small, specialized schools have been very successful, yet the MOE's funding formula drives school board decisions, and school boards do not consider busing as an expense, as these costs are covered by the MOE. Even though the busing costs generated by a large conglomerate, consolidated school are borne by taxpayers, it comes out of the pocket of the taxpayer that goes to the provincial taxes, not to the municipal property taxes, which school boards consider theirs. It's a short-sighted way of looking at these expenses. We would advocate an all-in accounting approach.

The fourth point: MOE needs to make their accommodation review guidelines binding on school boards in order to enforce fiscal discipline and respect for tax dollars. Right now when a school board sits down to decide on school closures—and by the way, there are some alternatives to school closures I'll get to later—the MOE provides guidelines: "This is what you should do." But the local boards are free to do whatever they want. At the end of the day, we would like to see these made binding so that we can have business decisions made by school boards that make sense for taxpayers.

Point five: The problem with consolidated schools is that research has shown—this is research in Canada, from OISE, from Dr. Kenneth Leithwood, which will be included in my soft copy, and also substantial research from the States—that the large conglomerate schools tend to have inferior behavioural and academic outcomes. Now, this is not in every case, but on average they tend to be productive of less desirable outcomes,

and there is a lack of cost savings. So a school board will shut a smaller school and consolidate to a larger school, saying, "We're going to save money," and at the end of the day, that money is not saved, the research shows.

Probably around the table there are—certainly more than myself can remember the late 1980s and early 1990s, when the Soviet Union unwound and there was much conversation about the peace dividend. Right? We were all going to get a peace dividend because we didn't have to keep—particularly the Americans didn't have to keep their standing air force jets in the air at all times to respond to a missile attack. Where did the peace dividend go? Well, history has taken care of that.

Similarly, we ask these days, "Where is the low enrolment dividend?" I can speak to specific numbers in Peterborough. School populations five or six years ago were 4,000 students in secondary schools. Next year, there are going to be around 2,300—almost half. So that's fewer teachers, less space. The naive taxpayer says, "Therefore, it's going to cost us less." Anyway, that dividend appears to have been absorbed by this consolidation drive.

To point 6, the impact of school consolidation—I'll just finish up a point on point 5. The research shows it's better to renovate and keep doing with the current schools, even the old schools, rather than to build new. Again, I'd like to refer to family experience in Ontario. There have been a number of references this morning to reduced incomes, poverty and so on. What families do when income is reduced is they make do. Shoes get re-heeled; clothes get patched. If there's a car, it gets repaired rather than replaced with new, etc. We ask, why aren't Ontario school boards doing the same thing? Why this drive for new construction in spite of the fiscal challenges? What's happening is that poor business decisions are being made by trustees who in many cases lack the experience in strategic business decision-making. This is in regard to closing schools and consolidating schools.

The impact of school consolidation on communities is manifold and flows in a number of different channels. There's a lack of alignment with Places to Grow legislation of the Ministry of Infrastructure. However, it's not binding, so the ministries need to act in alignment and respect each other's regulations. So if the Ministry of Education does nothing when a local school board closes a downtown school, as happened here in Peterborough, that flies in the face of the guidelines for Places to Grow. Places to Grow says we need strong urban hubs in small cities across Ontario to maintain economic viability, to maintain property values, etc. The school boards don't have to follow this.

So what happens is that there are lower property values, there are small business impacts, there are environmental impacts in terms of increased busing, to say nothing of safety. There's less walking and biking to schools, with fitness impacts, and increased transportation costs, which, again, school boards don't deal with because it's coming out of the provincial pocket. They

say, “It’s not our problem.” Well, it is our problem. It’s my problem as a taxpayer. Where’s the recognition of this?

There are alternatives to consolidating schools, point 7. There’s a shared use of community schools, and this has happened in many large urban centres in the States, whereby a school that’s half empty is sectioned off. Empty space is used to rent out to local appropriate community groups, and thereby students can share their building with community groups, where in the Ontario situation they could do their 40 hours of community service right in the building. So there are alternatives that exist elsewhere.

**The Chair (Mr. Kevin Daniel Flynn):** Bill, could I ask you to stop there just for a second? You do the same thing I do. I lean in too closely to the mike, and it pops for the guys at the other end.

I just wanted to tell you that you’ve got about four minutes left, so use your time as you see fit.

**Mr. Bill Templeman:** Great; thank you very much. Almost done.

We suggest, from a cost point of view for budget 2014-15, that you keep neighbourhood schools open and provide the enhanced programming options online.

**1200**

A cluster of schools for program diversity: What that means is, taking Peterborough as an example, you could have a science high school, a technology high school, an arts high school, a French immersion high school, and students use those resources within a community, as opposed to building a large conglomerate school and busing everyone there.

Point 8: The research findings are that smaller schools are less costly to operate and have better learning and behavioural outcomes. If we think about it for a minute, in a small school—the school that I know well, PCVS in Peterborough, that, sadly, was closed in 2012—a teacher could walk out the front door—the school was built in 1908—look down the corridor to the left, look down the corridor on the right, and see several hundred students.

Moreover, with a population of 800 students, everyone knew everyone, so the bad actors had a harder time playing their game. It didn’t take a rocket scientist to figure out who stole what or who was causing strange odours of marijuana coming from the washroom; they knew. However, in these large schools, now over 1,200, 1,500 students, it becomes like a huge shopping mall. “Who did the shoplifting?” “Well, we don’t know.” People don’t know each other. And of course, there are gang problems and drugs etc. that are easier to police in the smaller schools.

The program advantages of large schools are overridden by student academic performance results. In other words, students don’t do as well in the larger schools. Therefore, the program advantages of wider offerings are overridden.

So, suggestions for savings—my last point, point 9:

—Return small school boards with local control. This would ensure fiscal discipline.

—Renovate old neighbourhood schools rather than build new suburban super schools.

—The MOE needs to provide more direct governance over school boards to monitor spending.

—The school closure process is very costly for boards and communities as it stands now. Insist that boards follow the binding ministry guidelines.

—Finally, the MOE must set binding rules for up-to-date facility condition reports—these are essential documents in the school closure process—to make school closure decisions. Some will need to be closed still—I acknowledge that—but in many cases, many of these schools can be saved by shared usage.

That’s the end of my presentation. If there are any questions, please.

**The Chair (Mr. Kevin Daniel Flynn):** That’s great. Thank you. You’ve left about 45 seconds, so it’s going to have to be a very brief question. Dipika?

**Ms. Dipika Damerla:** Given the short time, I just wanted to thank you very much. If you have a chance—I would be interested—later on, you can send us the numbers. I’m curious, when you say that a consolidated school is more expensive to run—

**Mr. Bill Templeman:** Yes.

**Ms. Dipika Damerla:** —and I’m assuming one of the reasons is the busing cost that’s not costed in. I’m curious to see if you have numbers for the increase in busing costs versus the reduction in principals or whatever.

**Mr. Bill Templeman:** Yes, an increased administration adds up, so the costs are not—

**Ms. Dipika Damerla:** So could you share that?

**Mr. Bill Templeman:** Yes, happily.

**Mr. Bas Balkissoon:** Is there time left?

**The Chair (Mr. Kevin Daniel Flynn):** There’s about five seconds.

**Mr. Bas Balkissoon:** Quickly, when you say “return small boards with local control,” are you talking about control or the taxation process that existed before?

**Mr. Bill Templeman:** That existed before.

**Mr. Bas Balkissoon:** Okay. I thought so.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Bill. Thank you very much for coming.

#### WOODGREEN COMMUNITY SERVICES

**The Chair (Mr. Kevin Daniel Flynn):** Welcome back, another group, WoodGreen Community Services. If you’d all like to come forward—Brian, Anne, Sydney and Peter.

**Mr. Brian Smith:** Actually, our local partner here in Peterborough is with us.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful.

**Mr. Brian Smith:** I’ll introduce her.

**The Chair (Mr. Kevin Daniel Flynn):** Have a seat. Make yourselves comfortable. Same as yesterday, Brian: 15 minutes, and the rules haven’t changed.

**Mr. Brian Smith:** We’re not stalking you, but we are passionate about this issue, about transitioning women-led families from being dependent on social services to

being independent and self-sufficient, and about having a return to government, from an economic perspective.

I've shortened the presentation and, hopefully, if there are some questions, I'd be glad to answer them more. The full presentation is in the package that you've got, but I didn't think members who were here yesterday would want me to read the same thing again.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is all yours.

**Mr. Brian Smith:** Thank you. As I said, my name is Brian Smith, and I am the CEO of WoodGreen Community Services in Toronto. I'm here today with our local Homeward Bound replication partner from Peterborough, Bonnie Clark. Bonnie is the chair of the board of the Peterborough Housing Corp. I'm also joined by WoodGreen's chief operating officer, Anne Babcock, as well as Sydney Blum, WoodGreen's senior manager for Homeward Bound replication.

As you heard yesterday, WoodGreen Community Services' Homeward Bound program brings together all of the key supports required to help homeless or precariously housed single mothers break the cycle of poverty. An award-winning four-year program, Homeward Bound provides women and their children with wrap-around supports, including affordable apartments, goal-oriented case management, on-site child care, tutoring and after-school programs for children and youth, financial literacy education, parenting support, psychotherapy, and trauma counselling.

What makes Homeward Bound distinct from other transitional housing programs is that, in addition to our integrated services and supports, the program also provides participants with academic upgrading, employment and life skills training, a subsidized two-year college diploma aligned to the local labour market, and real professional experience through guaranteed internships and employment opportunities with local employers who participate in the innovative Homeward Bound Industry Council.

For the Toronto-based Homeward Bound, the industry council is comprised of senior-level human resources executives from all of the major banks, law firms, and IT corporations. In other cities, such as Peterborough, our Homeward Bound replication partners are developing industry councils with a cross-section of employers with employment opportunities that meet the current demand in the local labour markets.

Homeward Bound is an evidence-based program with a success rate of 80% for its graduates and current participants. In 2013, WoodGreen partnered with the Boston Consulting Group, who provided pro bono social-return-on-investment for the Homeward Bound program. BCG found that Homeward Bound has a proven economic benefit.

Using data from the first group of participants in Homeward Bound, the Boston Consulting Group found that Homeward Bound returned \$4 back to society for every \$1 invested in the program. Homeward Bound participants who complete college and become fully self-

sufficient generate \$295,000 of cumulative benefit to society, or, put in net present value, \$176,000. The future cumulative societal benefit of Homeward Bound's first cohort of participants is estimated at \$10.3 million. Finally, Homeward Bound's success rates have continued to improve since the first cohorts of participants. As a result, the value created by the program continues to grow as well.

WoodGreen's Homeward Bound program has not only been a success locally but has generated significant interest in communities across Ontario who are looking to break the cycle of poverty for local single mothers living on a low income and without safe, stable housing.

There are currently two Homeward Bound replications being developed; one is here in Peterborough, led by our partner the Peterborough Housing Corp. The other Homeward Bound replication is based in Oakville in the Halton community, and being led by Home Suite Hope, a transitional housing and services provider. In both replications, local municipalities, colleges, employers and other service providers are all collaborative partners working with the local lead organizations.

In addition to Boston Consulting Group's social-return-on-investment analysis for WoodGreen's Homeward Bound program, WoodGreen is also currently working with our partners in Peterborough and Halton to develop social-return-on-investment forecasts for replications in their communities. Our vision is not only to create an opportunity for single-parent families in Ontario to thrive, but to also continue to demonstrate and measure the impact of Homeward Bound in every community where the program exists.

**1210**

Our request: As Homeward Bound expands its reach and undertakes research and development around applying the model on a large scale, WoodGreen Community Services is respectfully asking for funding of \$1.9 million for operating costs of the Homeward Bound program. Hopefully, we will return to you \$4 for every one of those invested.

The program works. The results are proven. Let's work together to give struggling single mothers across Ontario a chance to change their lives and, more importantly, also the lives of their children forever. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Brian. You've left quite a bit of time for questions from the Conservative Party, just over seven minutes. Doug?

**Mr. Douglas C. Holyday:** I don't have seven minutes' worth.

**Mr. Brian Smith:** I can fill up the other amount.

**Mr. Douglas C. Holyday:** We'll give you a chance.

You're aware, I guess, that the government's proposing that they might install new taxes to pay for transit. I'm just wondering, with your experience with the less fortunate and people who don't have a lot of disposable income, what impact that's going to have on the people you deal with.

**Mr. Brian Smith:** In terms of the families that we serve, we're really wanting them to be self-sufficient. We

have set a target of them earning a salary of \$40,000 when they come out of the program so they can be independent and they're not going to be on social assistance, like OW; so they can be taxpayers. In fact, at the last graduation I had one of the women who had graduated formerly before us. She came up to me and was so excited because she had paid taxes for the first time. They feel really part of our society when they've been able to transition and not be totally dependent.

Whatever those costs for additional services, I think what I would say is that what we're interested in is spending money smarter, and I think this is one of the programs that will allow the government to do that.

**Mr. Douglas C. Holyday:** Yes, it might be that the income tax might be new to them but they certainly have paid taxes in other ways and they've probably been a contributor all along in some way, shape or form.

How many people now are in the program? I think you mentioned—

**Mr. Brian Smith:** Right now in the Toronto session, we have 76. We've built two apartment buildings, through private donations primarily. We've had actually over \$9 million of private sector donations from Ed and Fran Clark, from TD Bank, from the Counselling Foundation and many more.

There are 76 families at any one time transitioning through the program. To date, we've had 176 families and 217 children in the program that have gone through in Toronto. We're in the process, as I said yesterday, in the Oakville-Halton community, of working with our partner, Home Suite Hope. They're looking to start small and gradually expand, similar to what we did in Toronto, and work with single mothers in their community to allow them to transition to independence.

In Peterborough, I'll ask Bonnie to comment on that.

**Ms. Bonnie Clark:** Yes. We certainly have the full support of the board of the Peterborough Housing Corp. to deal with affordable housing, subsidized housing, and we see there is a tremendous need. A lot of presentations before you here today are asking for money because people are so impoverished in this area. We're asking for money but we're asking that this money that we're spending—the result of it will be getting out of poverty and a return.

We've set aside five units. We'd like to do five units every year. We're working very closely with different industries here in this municipality; also Sir Sandford and Trent, which Peterborough is known for. We've had the Royal Bank certainly involved in talks; the YWCA.

This is an ongoing process, but if I can just reaffirm the fact that there's a long-term plan and the money is to get people out of poverty and not have that second generation. I think that in the duplication in Toronto, we've seen women who are now—in fact, one has even bought her own condo in Toronto. I don't know if I could do that myself on my income. She came out of this program and actually has two sons, I understand, who have graduated with university degrees as well. So what we're trying to do is set out a template to help, but with a future.

I might add that we do have support from our MPP, Jeff Leal—a written letter of support in regard to that. Also, maybe I'd ask Sydney to speak as well. I'm really hoarding it, I guess, because I feel so impassioned.

*Interjection.*

**The Chair (Mr. Kevin Daniel Flynn):** Did you have another—

**Mr. Douglas C. Holyday:** I did, but I'll certainly give him the opportunity to express what he wants.

You mentioned that you wanted \$1.9 million this year?

**Mr. Brian Smith:** Yes, and that would be invested in Toronto, in Peterborough, in Oakville and in two other municipalities that have not been determined at this point. Although we've had a lot of requests, we just don't have the resources to go out and negotiate and spend that, but we've had numerous communities approach us to implement the program. It's just that there are only so many hours in the day, as I'm sure you know.

**Mr. Douglas C. Holyday:** How much did you get last year?

**Mr. Brian Smith:** We've been doing this primarily on the backs of private donors for 10 years. It's been sort of cobbled together. As I said, in 10 years, we've had just over \$9 million. It's in the larger presentation, which is in your package—very, very generous.

But philanthropy has a limit. They've done, basically, the research and development to prove that the program works, and there is a return on investment. Now, we're basically coming to government to say, "If you invest, we will have a return on that investment to you: lower OW rates, because these women move off OW; better health costs for their children, because many of them have health issues as a result of the poverty they've been in—there's a whole range." We provided the Boston Consulting Group report in the package as well for you, and we'd be glad to go and answer that in more detail, if anyone would like.

**Mr. Douglas C. Holyday:** Thank you very much. I don't know if my colleagues have—

**The Chair (Mr. Kevin Daniel Flynn):** You've got a minute left. Laurie, did you have something?

*Interjections.*

**Ms. Laurie Scott:** Sydney, do you want that minute? Just go ahead, Sydney, whoever Sydney is.

**Ms. Sydney Blum:** Sure. Hi. Just talking about the social return on investment, one of the pieces that we're doing—the Boston Consulting Group looked at basically the first generation of participants in the Homeward Bound program. Now what we're doing is actually SROI forecasting for each of our replication communities. So as we're working with Peterborough Housing to develop the program here in Peterborough, by this summer or this fall we'll be able to give you an estimate of what the impact of that program will be, even as we're implementing it for the very first group of participants.

**Ms. Laurie Scott:** Has there been—

**Ms. Sydney Blum:** We have—

**Ms. Laurie Scott:** Oh, go ahead.

**Ms. Sydney Blum:** So one other piece that's just worth mentioning as well is that we're partnering with the Ontario Federation of Indian Friendship Centres to do some community-based research looking at how we can also adapt this model for the urban aboriginal community. That piece of work requires being done in a certain way that's very culturally aware and in true collaboration with those communities, but that's another piece, and we'll also be looking at and measuring the impact for those communities as well.

**Ms. Laurie Scott:** Thank you—very informative. Thank you very much.

**Mr. Brian Smith:** Thank you very much for your time. We appreciate that.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you all for coming again. Thank you.

#### MS. JOANNE BAZAK-BROKKING

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Joanne Bazak-Brokking. Joanne, is that you?

**Ms. Joanne Bazak-Brokking:** That's me.

**The Chair (Mr. Kevin Daniel Flynn):** Come on forward. I hope I got your name right.

**Ms. Joanne Bazak-Brokking:** That's good.

**The Chair (Mr. Kevin Daniel Flynn):** Well, hey.

You have a seat. We'll hand them out for you. Make yourself comfortable. Like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time over at the end, the questions will come from the NDP.

**Ms. Joanne Bazak-Brokking:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You're welcome. Welcome.

**Ms. Joanne Bazak-Brokking:** Thank you so much for this wonderful opportunity to participate today. I will be focusing on the perspective of a community member.

I'm an occupational therapist with 36 years of experience working with persons with disabilities, with severe mental illnesses—schizophrenia, psychosis. My work brings me into the community, into the homes of people, to the workplace, to their schools, to anywhere people are—and it is this work that has led me to want to present today at this pre-budget consultation, not only because of the desperate poverty of the people who I work with, but also, more significantly, their tremendous courage, determination, hard work and need for more opportunities.

1220

The purpose of the Poverty Reduction Act, as you know, is to establish mechanisms to support a sustained long-term reduction of poverty in Ontario. The act received unanimous, all-party support, with a commitment to update the province's Poverty Reduction Strategy every five years. We're anticipating the release of the new Poverty Reduction Strategy sometime this month, but the recognition of key poverty reduction priorities and the compelling need to include investment in reducing poverty is what has propelled me to present today.

Ontario's vision for poverty reduction is a place where every person has the opportunity to achieve his or her full potential and contribute to and participate in a prosperous and healthy Ontario. That is a vision that we can embrace.

Poverty reduction is not only a priority for people across the province, but it is also a legal responsibility of this and every succeeding government. My purpose today is to talk with you about investment in poverty reduction initiatives, with a focus on persons with disabilities, and two priorities for the 2014 budget. One is the funding for housing stability assistance to replace community start-up and maintenance, and second is the retaining and enhancing of the Ontario Disability Support Program to enable people with disabilities to live with opportunity, dignity and health and to increase the adequacy and opportunity.

It is recognized that there has been progress with poverty reduction. I know that the latest report indicates that 47,000 children and families were lifted out of poverty from 2008 to 2011, but this progress is being severely impacted by the austerity budget of 2012, with significant funding cuts to discretionary and housing benefits and its discontinuation in January 2013.

The ripple effect of this devastating loss of community start-up and maintenance continues to impact communities across the province, with a growing homelessness and housing crisis. This crisis will only increase in March 2014, when the transitional funding is depleted. I realize that some of my friends and colleagues have already presented to you about this impact.

When you look at the table on page 2, it is intended to be a model of, what are the key elements of poverty reduction and opportunity for people to in fact be able to work? Without stable housing, nothing else happens, so the cuts to community start-up and maintenance have been absolutely devastating.

You will see on the second chart that the provincial funding allocated to housing stability in Peterborough has been reduced from 2008 to \$0.7 million, and there is no question that that has to have an impact on people, because this is how they pay for last month's rent, rent and arrears, for any kind of emergency housing—anything at all. Without a stable housing base, nothing else happens. It is for this reason that there is an urgent need for provincial investment.

With respect to ODSP, I will come to the conclusions and recommendations that I'm leaving with you on your handout, but I'm hoping to be able to discuss some key points. The Ontario Disability Support Program has played a vital role in the health, employment and participation of people with disabilities in an inclusive Ontario. The challenge with where things are at in looking at ways to cut costs is that there has been a recommendation by several key reports—the Drummond report, the Brighter Prospects report and, most recently, the white paper by the Conservative government called Welfare to Work—to in fact dismantle ODSP and merge it with Ontario Works. It is very important to bring forward the point

that this would be disastrous for people with disabilities and would set them back. ODSP is a unique income and employment support program that is based on sound policies that recognize the abilities, diversity and needs of people with disabilities. While there is a need for improvement, there is a solid policy rationale for retaining this valuable program.

It has been stated by John Stapleton in his recent report, The “Welfareization” of Disability Incomes in Ontario, that the increasing demand on ODSP is problematic. But for persons with disabilities, it’s the only system that emphasizes providing workplace and employment supports along with the structural incentives to work and actually succeed with goals of getting a job and keeping a job. And that is my absolute joy and privilege as a person working as an OT. I recognize the difference between the amalgamated ODSP-OW system and then the change to—like, the old family benefits system and the tremendous improvement of ODSP and this valuable program. There are so many aspects of ODSP that make a difference with the goal of increasing opportunities, recognizing abilities and improving employment outcomes.

There’s also the really important point that not all people with disabilities are going to be able to get a job. To expect this is not only unrealistic; it’s inappropriate and downright dangerous. And that’s what has been proposed in several of these reports, including Brighter Prospects and the white report recently launched in January. The reality is that for some people, their daily job of getting up and living as independently as possible in the community is their work. For others, volunteering and contributing to the community is making a contribution to the economy, and it is really important in today’s world and labour market to recognize that this is a contribution, even though it doesn’t lead to paid employment.

I’m feeling that there’s so much to convey about how important this is, but I will focus on the recommendations.

First, for poverty reduction it is absolutely critical and fundamental to invest in a preventative approach to poverty and homelessness by establishing adequate funding for housing stability and homelessness-related needs to replace the Community Start-up and Maintenance Benefit—at the very minimum, to make permanent the \$42 million in transition funding for critically important housing and homelessness funds that at least were covered through the community homelessness prevention initiative called CSUMB.

Secondly, an important recommendation is to retain and strengthen ODSP as a separate program designed to meet the diverse and specialized needs of people with disabilities that, first of all, provides income support and security for people who cannot work, and also with adequate rates to meet life’s necessities and to live with dignity and health. The current ODSP rates are woefully inadequate for people to pay for shelter, food and the other basic necessities of life. That has been a message that has been delivered to the province year after year

after year, but when you’re in the community and you see the absolute poverty of people—people not having enough money for food, not being able to afford the bus, not being able to afford housing, and the suffering and indignity this causes, yet, on the other hand, the tremendous courage and determination of people to keep trying, keep working and to try and get well.

**1230**

Strengthen the employment supports with increased opportunities and investment in a continuum of employment opportunities that are evidence-based, that actually work to enable people with disabilities to achieve their goals and increase their income—if it was as simple as sitting down and making a pathway to employment plan, people would be working. It takes so much more than that.

There are very solid evidence-based programs and opportunities, and some are listed there: supported employment, social enterprise, self-employment, small business with micro-financing, partial and flexible employment, looking for the hidden job market for people who can work part-time or work casually that will really help lift them out of poverty; and, finally, volunteer work, to really recognize the diversity of participation and volunteer contribution to the economy and to the community, and to provide people who volunteer with a participation allowance.

Finally, the successful transformation of disability income programs requires careful consideration of the whole system, and that includes the employment supports that are attached with the work world. To that point, I think that John Stapleton’s report, The “Welfareization” of Disability Incomes in Ontario, is an invaluable resource that was released in fall 2013. One of his key recommendations is that, if we really want to address the poverty and reform social assistance and reform disability support, we need to create a commission that’s dedicated to the task of disability system transformation supported by all levels of government, private and non-private sectors; so, not to look at ODSP in isolation and target it as the program that needs to be cut, but rather look at what is working and retain that. He actually identifies the model of ODSP as one that could be used for all income supports for persons with disabilities.

Sorry. I feel like I’ve been—pressure of speech.

**The Chair (Mr. Kevin Daniel Flynn):** You didn’t leave a whole lot of time left for questions, unfortunately. Jonah, you’ll have to be really quick.

**Mr. Jonah Schein:** Joanne, thanks so much for coming in and taking time out of your day job to come and do this. We’ve heard from countless people already this morning echoing the things that you were saying here. What do you think it’s going to take for the government to get the message that these are investments, that we pay the long-term costs in health care or in a number of ways? What is it going to take for people around this table to bring that message back?

**Ms. Joanne Bazak-Brokking:** That is a critical question and one that I’ve really, really grappled with. I

think that the evidence of how poverty affects health is so powerful at this point in time. The Ontario Medical Association now includes an assessment of poverty as part of a medical assessment. They've released new documents this past fall. So it's not something that we don't recognize, that if we invest in poverty reduction initiatives, if we invest in programs and enable people to be lifted out of poverty, then they will, in fact, have better health and will reduce health care costs. The scientific evidence for that is unequivocal.

**The Chair (Mr. Kevin Daniel Flynn):** Joanne, I'm going to have to cut you off there, but I think that was a good way to end. Thank you very much for coming today.

**Ms. Joanne Bazak-Brokking:** Thank you.

#### SCARBOROUGH HEALTH COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon now is from the Scarborough Health Coalition. Kingsley, are you with us?

**Mr. Kingsley Kwok:** Yes, I am.

**The Chair (Mr. Kevin Daniel Flynn):** Come on forward and take a seat. Make yourself comfortable.

Have a seat. Like everybody else, you get 15 minutes; use that any way you see fit. If there's any time left over at the end, it will go to the government side.

**Mr. Kingsley Kwok:** Good afternoon, members. My name is Kingsley Kwok. I chair the Scarborough Health Coalition, a local chapter of the Ontario Health Coalition. I see on the agenda today that an acquaintance from the Peterborough Health Coalition may have made a presentation to you this morning, so it may not surprise you that there may be overlap of information that I'm going to be presenting.

**The Chair (Mr. Kevin Daniel Flynn):** Hearing something twice is not a bad thing, so keep going.

**Mr. Kingsley Kwok:** I believe Mr. Koch is distributing my submission to you now, the pre-budget submission.

There are six recommendations from the Scarborough Health Coalition, and there is a brief overview of budget issues as they relate to health care.

There is a new plan from the Ministry of Health and Long-Term Care to move hospital services to independent health facilities. On December 17, 2013, approval of the proposed regulation 353/13 in the Independent Health Facilities Act, effective January 1, in concert with changes in the Local Health System Integration Act, will practically give licence for specialty clinics and independent health facilities to take out hospital services if the local health integration network allows and funds.

The Scarborough Health Coalition believes that the Public Hospitals Act already allows the ability of the ministry to work with hospitals to set up non-profit specialty clinics. Evidence shows that independent health facilities have serious oversight problems regarding costs, quality and safety.

The first recommendation of the Scarborough Health Coalition is that if reorganization of hospital services is planned, it should take place under the rubric of the Public Hospitals Act, and independent health facilities should not be expanded.

Imagine your loved one is going for a procedure. It could be cataract surgery, if your parents can't see anymore. It could be a colon exam. There's a recommendation out there right now to get your butt checked; you can be any age over 40, I think. You can get it done in an independent health facility. You can get it done in a hospital. Your family physician will have to refer you.

Because of the flat-line budgeting of funds to hospitals from the ministry right now, hospitals use these procedures to generate revenue to cover other, bigger expenses. So if a local health integration network is going to just say, "Hospitals, don't bother with these simple ones. This doctor is opening up a separate corporation to open up a speciality clinic to just do these simple ones," your hospital—it could be a Peterborough hospital, it could be a Scarborough hospital, it could be Rouge Valley, it could be St. Joseph's in Etobicoke—then all of a sudden they have to make up for lost revenue because some other doctor somewhere outside the hospital has taken that chunk of revenue that OHIP would divert or the local health integration network would divert. It would mess up a hospital budget.

I have some evidence in my submission about safety or additional user fees that are charged to patients on this. I won't go over that. You can read that if you want.

#### 1240

The second recommendation the Scarborough Health Coalition is recommending is that the government should place a moratorium on cuts to hospital services. Like I already said, hospital-based operating funding was held to a 0% increase in 2013-14, and continual pressure on hospital budgets has meant cuts to needed services across hospitals and the offloading and privatization of hospital clinics and services.

I'll just give you one local example. The Scarborough Hospital, which is composed of several satellite sites and Scarborough Grace and Scarborough General, in 2013, as of June, had cut one outpatient physiotherapy clinic, two operating rooms, five emergency stretchers—you can cut those—30 medical and surgical beds and the 35-year-old rheumatology clinic, with an annual visit of 2,000 patients, to try to balance and find an efficiency of \$15 million. I have a source; the quotation here is from the Toronto Star.

In addition, the Central East Local Health Integration Network has also cut budget allocations for cataract surgeries by more than 1,000 procedures and hip and knee surgeries by 150 procedures. So not only will the hospital have to grapple with fewer funds for expenses; it actually affects patient care because, like I was saying, anybody's loved one who needs cataract surgery will have to wait longer, because the allocation to the hospital has been cut. If it's an elective hip surgery, an elective knee replacement surgery, an elective partial knee sur-

gery, those people will have to wait longer in Scarborough.

The third recommendation: Real protections for rural and small community hospitals are needed. Full public disclosure on the use of previously announced funding should be made. I come from Scarborough. It doesn't really apply to me, but for communities in Leamington, Picton and Wallaceburg, they have suffered devastating cuts to hospital services, which had a severe impact on local access to care.

The fourth recommendation: Home care should be reformed to create an equitable public home care system and ensure that public funding is used for care. The government's increases in the funding of home and community care are, I'm sorry, not sufficient to meet existing backlogs or to take the increasing offloading of patients and services from hospitals and long-term facilities.

I'll give you an example. This is a quotation from the Toronto Sun about a patient, 84-year-old Joanne Stokman. In November 2012, she had her hip replacement surgery done at the Rouge Valley, Ajax and Pickering hospital. Two days later, she went home. She was discharged. The Central East Community Care Access Centre during her stay did not set up any plan for discharge, so for two weeks she had no home care other than her daughter and her neighbours taking care of her. I didn't make this up; this was reported in November 2013, a year after she had that surgery. At the end of the two weeks, her daughter finally called and said, "What's going on? Why is my mom not getting home care?" That's when they realized that she slipped through the gaps. What she did get was one hour of home care twice a week for eight weeks. That's it.

I really wish the government, if it's going to cut hospital funding and supposedly replace it with community funding and home care funding, would really come up with home care funding, please.

Two more recommendations. I'm almost done.

The fifth one: Long-term care minimum care standards should be adopted to provide accountability for public funds, improve outcomes and protect against harm. By the Ontario Health Coalition's calculations, 20,000 Ontarians remain on wait-lists for placement in long-term-care homes. Hospitals are discharging patients under the Home First policy without care in place. Patients go home to wait for placement in long-term-care homes. A lot of the time, they do not know that long-term care is an option. In addition, the high acuity of hospital and mental health patients downloaded into long-term care means that higher care levels are required to meet their needs. I am recommending a required minimum care standard of four hours of hands-on care per resident per day.

Finally, I have a local example in Peterborough for the following recommendation, which is to stop the P3 privatization of Ontario hospitals. In 2008, the Auditor General, after the audit of the Brampton Civic Hospital public-private partnership project, concluded "that the all-in cost could well have been lower had the hospital

and the related non-clinical services been procured under the traditional" approach rather than the P3 approach.

I have a table on page 6 that compares the Peterborough Regional Health Centre that opened in 2008 here, which was procured under a public model, versus the William Osler Health Centre in Brampton, which was done under the alternative finance procurement model. Granted, the number of beds in each hospital is a difference of slightly more than 100: 494 in Peterborough versus 608 in William Osler. The total capital cost was \$197 million, excluding equipment, in Peterborough; \$650 million, excluding equipment, in Brampton. The total cost, including contracts and equipment, in Peterborough was \$276 million. Just costs, including equipment, in Brampton: \$900 million, and more than \$3 billion if you include the service contracts and the interest, based on the P3 model.

Ontario is lagging behind other provinces in health care funding.

Am I close to 10 minutes now?

**The Chair (Mr. Kevin Daniel Flynn):** You've got two minutes left in the entire presentation—about two and a half minutes. If you're going to leave any time for questions, it's up to you. Or if you prefer to—

**Mr. Kingsley Kwok:** I'll take my time for questions.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, super.

**Mr. Kingsley Kwok:** The overview is a lot of statistics; I'd rather not bore you with that.

**The Chair (Mr. Kevin Daniel Flynn):** Some of it we did hear this morning, you're right, but some of it is new, obviously.

It comes from the government side. Dipika.

**Ms. Dipika Damerla:** Thank you so much for coming here all the way from Scarborough. I hope it was a good drive, not too bad.

**Mr. Kingsley Kwok:** There were some flurries, but I made it through.

**Ms. Dipika Damerla:** Just very quickly, I'm very sympathetic to what you say. I, personally, would not support for-profit. My understanding is that hospitals can bid on these—whatever they're called—

**Mr. Kingsley Kwok:** Independent health facilities?

**Ms. Dipika Damerla:** Yes, facilities. They would have that ability, so your concern around them losing their budget would be, sort of, mitigated that way, but in a lower-cost environment, because hospitals are, by definition, higher cost. These are lower risk, but I agree with you; they need to be regulated well and make sure the quality of care is there.

I did want to leave you with one last thought, that in Ontario, when you go to a GP, you're essentially going to a private practice. I just wanted to leave you with that thought.

**Mr. Kingsley Kwok:** The OHIP—sorry, if there are other questions? That was a comment, so I don't know whether—

**Ms. Dipika Damerla:** No, I'm—

**Mr. Kingsley Kwok:** I don't want to waste time commenting for you if there are other questions.

**The Chair (Mr. Kevin Daniel Flynn):** No, no, the questions will all come from this side. The way we do it is on a rotational basis.

**Mr. Kingsley Kwok:** Okay, all right.

Mr. Balkissoon, are you going to comment, too? I don't want to take up my two and a half minutes—

**Mr. Bas Balkissoon:** I think she's asked her—

**Mr. Kingsley Kwok:** Thank you very much.

So, imagine this: Let's say for the Scarborough Hospital, which has an eye centre—two operating rooms, five days a week—to do cataract surgery—they are already doing cataract surgery based on funds from the Central East LHIN. Yes, they can fix around their budget model and say, “Okay, let's open something else off-campus to do cataract surgery.”

**Ms. Dipika Damerla:** But if that meant you could do more cataracts with the same money without compromising health care, would you support it?

**Mr. Kingsley Kwok:** I would assert that out of the total of the ophthalmologists who are practising there, two of them are doing more than 15 cases per day—close to 20 cases per day—two of them. The two doctors are great; they are really fast. The volumes are slightly lower than the Kensington Eye Institute that is so touted by the minister and the institute itself, but I would have to see the Kensington numbers to compare them with the Scarborough Hospital.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming, Kingsley. It is appreciated.

**Mr. Kingsley Kwok:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for your presentation.

#### TRILLIUM ENERGY ALLIANCE INC.

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Jeff. Where's Jeff Mole? There you are. Jeff, come on forward. You've got a spot on an agenda I see.

Like everybody else, you have 15 minutes. Use that any way you see fit, Jeff. If there is any time for questions at the end, they will come from the Conservative Party.

1250

**Mr. Jeff Mole:** For Hansard, my name is Jeff Mole. I'm a community enterprise consultant with Trillium Energy Alliance.

Mr. Chair, there is potentially \$100 billion at stake here, so I beg your indulgence if I go a little long.

It is our mission to build the capacity to give willing communities across Ontario the necessary tools to assess sensible local energy opportunities so they can participate in Ontario's vibrant energy market.

We submit that it is imperative that the government seriously investigate our proposal if Ontario is to create significant jobs and economic investment in the renewable energy sector. Let me be perfectly clear: I am not suggesting development of so-called green energy

projects in communities that are unwilling to host these projects.

On October 3, 2013, I was invited by the finance minister to a consultation about Ontario's path to jobs and growth. It seems inevitable that Ontario's 2014 budget will contain strategic investments that create jobs, foster economic growth and attract investment in Ontario. It is our submission that Ontarians expect their government to endeavour to obtain the maximum return on these investments.

Mr. Chair, on page 33 of Ontario's Long-Term Energy Plan—I've attached it as appendix A—it's revealed that Ontario plans to procure large sums of new renewable energy, worth approximately \$10 billion, over the next two years. It is our submission that the clean energy sector, under the right conditions, could be worth \$100 billion to communities.

It is our submission that Ontario needs a community enterprise model that will enable communities to capture their fair share of this market while creating jobs, growth and economic investment, and while ensuring the maximum return on investment for Ontario taxpayers and ratepayers.

Sir Adam Beck once said, “The gifts of nature are for the public.” In speaking about Ontario, he said, “Nothing is too big for us. Nothing is too visionary.” In our vision, local renewable energy opportunities will be developed for the betterment of the people of the whole of Ontario and/or for the betterment of the local community.

We have developed a province-wide enterprise model for job creation, which enables communities to provide for the protection, conservation and wise management of our resources, our environment, and Ontario's social and economic interests. We submit that a strategic partnership with us will enable a better renewable energy process, which in the long-term reduces the bureaucratic burden on government and saves money.

A community enterprise is a co-op without share capital that creates jobs and generates economic activity, with a view to investing the surpluses or profits for the betterment of the community. A co-op is a business run by a group of people who get together to develop a business that meets their needs and provides member benefits.

The co-operative structure provides each member with a vote on the affairs of the corporation. This model, when applied to the business of renewable energy generation, is commonly referred to as community energy. We submit that this model creates a democratic governance structure which can be used to determine if a community is a willing host. This reduces the burden on local governments.

Most small and medium-sized communities don't have the capacity to take advantage of the electricity market, but they should. In order to create jobs and stimulate their local economies, it is in the public interest that the 2014 budget includes measures for the advancement of community energy. These measures will give Ontario communities the tools they need, including the seed money

and access to affordable capital, to develop sustainable community energy businesses.

Job creation is an urgent priority in 2014. The measures contained herein will enable community enterprise to create jobs and economic activity in the energy sector. The spinoff benefit is a democratic process and surplus revenues which are used to build sustainable communities.

We submit that there are similar models in other jurisdictions. However, we also submit that ours is a truly made-in-Ontario innovation.

In the 2013 speech from the throne, in the 2012 feed-in tariff review, and in statements made by members of cabinet, it's the government's position that active participation of communities, community buy-in, and willing hosts are key criteria for approval of energy proposals. Our business model enables these criteria to be met.

On March 22, the Ontario government completed a feed-in tariff program review of this renewable energy procurement program. The government stated that, "Active participation of communities is important to the continued success of the FIT program," and the government acknowledged that "most local community and aboriginal projects require more time to mobilize."

Mr. Chair, in January 2013, I spoke with Kathleen Wynne on Newstalk 1010 with John Tory. Here is the transcript of what Ms. Wynne and Mr. Tory said to me:

Ms. Wynne said, "So, Jeff, here's what I've been saying in my campaign: We really need to have more community buy-in. You are absolutely right. I agree with you there. We need to make sure that communities see the benefit of having this large energy infrastructure in their communities. We need a better process to create that buy-in, whether it's co-ops or whether it's better consultation. So I'm willing to look at how we can get that community buy-in so that we've got willing hosts for this green energy, and also, so that we can have communities participating in the production of renewable. So I think you're on to something there."

Mr. Tory then states, "All right, well that certainly has been a subject of great controversy. It probably cost you some seats in the last election because people were mad about the whole wind power thing in particular."

Ms. Wynne replies, "I think part of the reason, John, is that we didn't have that good community process, you know? And we need more of that...." Then, Ms. Wynne goes on to indicate that she is committed to this.

Well, Mr. Chair, here we are a year later and communities still do not have the necessary tools. Other than our model, there is no better process on the horizon. Assessment of new electricity generation opportunities is a proponent-driven process. To achieve active participation of communities in the production of renewable energy, communities must be mobilized to become proponents of community enterprise.

We have been encouraging the government to take a leadership role in mobilization since Brad Duguid was the energy minister. It's our submission that the government must act now if we're going to take renewable energy off the agenda for the next election.

We ask that the committee recommend a strategic investment of \$5 million in Trillium Energy Alliance to enable us to mobilize communities across the province so they can participate in renewable energy in a meaningful way. It is our submission that we can deliver outcomes that create jobs, job stability and job retention across rural and northern Ontario. We undertake to ensure effective oversight and efficient use of the budgeted funds.

The budget measures contained herein will enable Trillium Energy Alliance to facilitate creation of regional community energy businesses that assess the possibility of development of local energy opportunities in a more sustainable manner. These businesses enable communities to actively participate in the possible development of renewable energy in an open, transparent and democratic manner.

We've made a significant contribution to the people of Ontario. I had hoped someone would be here to speak about this. We have expended a great deal of time, effort and research in perfecting the community enterprise model and explaining it to members on all sides of the government and to the public. This is done in the sincere belief that we have found a better process that is in the public interest.

My research in community energy began in 2007. In 2010, I founded Ontario's first regional energy community enterprise in Muskoka. Trillium Energy Alliance was formed in 2011 by a group of experienced community energy enthusiasts with a mission to disseminate our knowledge across the province on a not-for-profit basis.

We submit that we have created a community energy model that works and helps maintain our standard of living. However, we have also identified that there are gaps and hurdles to the province-wide implementation of this model. It's imperative that the 2014 budget contain omnibus measures that would help clear away the barriers to a better process for assessment of local energy opportunities.

The pressing issue is this: It's our submission that the average citizen expects these large electricity-generation projects to be of benefit to the public.

#### 1300

Opportunities to develop community energy on crown land have reached a critically low level. Furthermore, the ability to transmit and consume the electricity is also at a critically low level.

The problem is that private corporations are taking control of very valuable electricity generation opportunities. Ontarians have made and continue to make a huge investment in electricity generation and distribution. We provide public land; we fund the costs through our electricity bill. We provide a public electricity grid for distribution, and Ontarians have to live with the impacts.

One could argue that private electricity generation is a waste of money for Ontarians. We need a better process to get the maximum return on our investment in electricity generation. We need a better process to get the maximum benefit for the public.

With the Electricity Act, 1998, and with the Green Energy Act, 2009, new private energy projects have produced very little financial benefit for communities, and communities have had little or no say over the proponent-driven environmental assessment process. This often creates social friction, hostility and division amongst community members. Corporations are extracting excessive profits from communities across Ontario for their absentee shareholders, yet, as we've seen many times, when energy projects are cancelled, Ontarians are left on the hook for these failed proposals.

It is time we brought an end to energy boondoggles. There is an alternative.

Yes?

**The Chair (Mr. Kevin Daniel Flynn):** Jeff, I've stopped the clock, so I'm not stealing any of your time. I just wanted to let you know that you've got about three minutes left.

**Mr. Jeff Mole:** Great. I should finish on time.

**The Chair (Mr. Kevin Daniel Flynn):** If you want to just guide yourself accordingly.

**Mr. Jeff Mole:** Thank you.

We submit that our solution is a sensible model which creates the framework for communities to have a respectful dialogue about the need, options, impacts and potential benefits of local renewable energy opportunities. There is an alternative to development of renewable energy opportunities for the financial gain of private developers. The alternative solution involves mobilizing communities and financial resources so opportunities can be assessed with a view to providing economic benefit to communities. Active participation can be achieved by mobilizing community enterprises to assess these local opportunities. This model is in the public interest. It provides a very high return on investment for Ontarians. I can give examples if asked. However, our model ensures that surplus revenues are reinvested for the betterment of communities and Ontario as a whole.

Mr. Chair, we ask that the committee recommend that a staff report on our business case be prepared in aid of recommending additional omnibus measures to ensure a better process for community energy. We submit that it is critical that the budget contain these omnibus measures to protect opportunities to generate and transmit community energy using public resources.

I'll skip over—well, no, I'll tell you: Mr. Chair, we ask that this committee recommend including the following measures in the budget:

—Amend the Public Lands Act to prohibit the disposition of publicly owned waterfalls and crown land for energy projects for financial gain.

—We would ask that the Electricity Act require that all new and existing power purchase proposals contain a minimum of 50% equity participation of a local renewable energy community enterprise or a public utility.

—Amend the Electricity Act to ensure that all remaining grid capacity is set aside for development of community energy projects and/or public utilities.

—Invest in community enterprises by directing the Ontario Financing Authority to facilitate not-for-profit

community enterprise access to financing for soft costs and capital costs through a community energy loan guarantee program.

And, of course, we need money to run our project too.

Through my research, I have determined that our proposal is consistent with the energy and economic policies of all three political parties. I can elaborate if asked later. However, I submit that most of the MPPs I've spoken with see a benefit in supporting our proposal.

In conclusion, according to the Brundtland commission, sustainable development means that which "meets the needs of the present without compromising the ability of future generations to meet their own needs." It's not sustainable to allow private corporations to take off with these energy generation and transmission projects. However, the development of community energy is seen as an improvement of these limited resources because it enables future generations to better meet their needs.

Mr. Chair, I ask that the committee recommend a report to determine if this is true. We submit that thousands of Ontarians want the government to declare clearly and forcibly that community energy projects are wanted, needed and will be promoted. If not, we ask that the government let us know accordingly, so we can move on.

If community energy is wanted, then let us work with and partner with the government to develop a workable community energy model.

**The Chair (Mr. Kevin Daniel Flynn):** I'm going to have to stop you there, Jeff—everybody has the rest of the presentation—just to be fair to everybody.

**Mr. Jeff Mole:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** But thank you very much for your presentation. Very well done.

**Mr. Jeff Mole:** Thanks, everyone.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jeff.

#### TOURISM INDUSTRY ASSOCIATION OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the tourism industry association. Beth Potter, if you'd like to come forward.

**Ms. Beth Potter:** Good afternoon.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Beth. Welcome. Like everybody else, you get 15 minutes. Use that any way you see fit. If there are any questions, or any time for questions, that questioning will come from the NDP.

**Ms. Beth Potter:** Wonderful. Thank you. Good afternoon. My name is Beth Potter, and I'm the president and CEO of the Tourism Industry Association of Ontario or, as we call it, TIAO. TIAO is the recognized umbrella association that advocates on behalf of the tourism industry as a whole on issues affecting our industry.

The tourism industry is in every riding in Ontario. It represents approximately 149,000 businesses and more than 305,000 employees, and brings in \$23.6 billion each

year in receipts. Our industry is larger than the agriculture, forestry and mining industries combined.

Ontario tourism and hospitality is vast and varied and includes attractions, festivals, events, accommodations, conventions, recreational activities, camping, culinary and more. Despite the economic climate here in Ontario, in Canada and around the world, tourism remains the world's fourth-fastest-growing industry. More than one billion international visitors produce more than \$1 trillion in global receipts every year.

Here at home, for every \$100 spent by non-resident visitors, \$15.60 is generated for the provincial government. For every \$100 spent by resident visitors, \$12.74 is generated for the provincial government. The more visitors, the more visitor spending, and the greater the influx of revenues to the provincial coffers.

When Premier Wynne attended the 2013 Ontario Tourism Summit this past November, she shared her thoughts on the tourism industry, stating that it has tremendous potential for growth and that there are unique ways we can harness that potential. Partnerships between industry and government will create a positive environment for growth in the tourism industry, thereby adding to the GDP and fostering opportunities for job creation. To enable this, TIAO strongly encourages the government of Ontario to continue to invest in tourism through existing programs and funds; work with the industry to attract new investors for product development and refurbishment; and continue to support workforce development and skills training in the tourism industry so that we can continue to create and provide jobs for more than 305,000 Ontarians.

By "continuing to invest in tourism," we mean maintaining current budgets—for example, the Ontario tourism marketing partnership budget, the Celebrate Ontario funding, the Tourism Development Fund and other tourism, culture and sport program funding.

Marketing is the lifeblood of tourism. Without the capacity to market broadly and consistently, Ontario's tourism industry will not be competitive. This is particularly important with respect to the American market, which the Canadian Tourism Commission has pretty much abandoned and which still accounts for nearly 80% of Ontario's international visitors.

We also request a long-term commitment to funding for the regional tourism organizations. The RTOs were set up as a result of the 2009 Discovering Ontario report and currently receive funding on an annual basis from the Ministry of Tourism, Culture and Sport. This funding needs to be a stable funding allocation to allow for the RTOs to expand the work that they are doing on destination development and marketing efforts, including workforce development, investment attraction and product development. Two thirds of visitors to Ontario are from Ontario, and thus a continued investment in market and product development is vitally important, to keep our domestic visitors engaged.

We also encourage the continuation of the convention development fund, as it helps eligible Ontario cities

offset key costs to attract increased convention business and visitor spending. The fund is only used in bidding on new international and national conventions. These conventions are city-wide in scope and will use at least three different local convention hotels and bring in a minimum of at least 400 peak room nights. The economics of these conventions are significant. Past examples include the success of the 2011 International Indian Film Academy Awards that attracted close to 50,000 delegates, and the 2012 Microsoft convention that attracted 15,000 delegates from 130 countries.

### 1310

Ontario needs to grow the number of visitors coming into this province from traditional markets such as the UK, Europe and the US, as well as emerging markets such as China, India and Brazil. By working with our partners across the country, Ontario can leverage its marketing dollars to draw new visitors and increase visitor spending. Destinations within Ontario need those financial resources through a sustainable funding model to be able to compete in the international market for these international visitors.

New investment is vital to the growth of the tourism industry. Working with the industry to establish processes and leadership to attract new investors is essential for product development and refurbishment in our province. The Ministry of Economic Development, Trade and Employment, along with the Ministry of Tourism, Culture and Sport, is committed to working with tourism industry leaders on investment attraction, but a further commitment from other key ministries is essential. Streamlining application processes and reviewing legislation with a focus on planning coordination and cross-ministerial approval processes will bring success to these efforts.

A great example of an industry and government working partnership is the success of the new Ripley's Aquarium in Toronto, Ontario's newest attraction, which is expected to attract two million visitors in its first year and generate approximately 360 new jobs, and they're well on their way to that. After four weeks, they had passed through the gate over 400,000 visitors.

We also would ask for continued support around workforce development and skills training in the tourism industry so that we can continue to create and provide jobs for Ontarians. Tourism and hospitality businesses are the largest employers of young people. Under the guise of the Ontario Tourism Workforce Development Strategy, TIAO has undertaken to complete a tourism-as-a-career business and communications plan. Support for the implementation of this plan is essential to ensuring a strong tourism workforce in Ontario. It will also be important to ensure that tourism is a key industry when implementing the youth jobs strategy.

Our industry offers so many amazing opportunities. They're not just seasonal jobs and they're not just part-time jobs. There are full-time, full-year jobs available in marketing, product development and more. The possibilities are endless for young people who want to carve out a role in our evolving industry and help them see tourism as a career path, not just a summer job.

On behalf of TIAO and our members, I thank you for your time and continued support for our industry and would be happy to answer any questions at this time.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful, Beth. Thank you very much. You've left about seven minutes. Michael, Jonah?

**Mr. Michael Prue:** Yes, a couple of questions from the things you've said. I take it you're not asking for additional funding; you're just asking that the funding continue from the last budget. That's more or less what I heard.

**Ms. Beth Potter:** We are asking for the funding to continue and that tourism not be targeted for any cuts.

**Mr. Michael Prue:** Okay. So as is; you're just happy to go forward with what you got before.

**Ms. Beth Potter:** Continued, yes. However, we would like to see a longer-term commitment to the RTO funding. I think currently it is committed to the end of 2015, and obviously we want to see it continue past that.

**Mr. Michael Prue:** You made a comment that American tourists are not being targeted even though they make up 80%. I have been very frustrated—I go to these conferences in the United States, and then we invite them back here and they won't come because they don't have a passport. They seem singularly unable to leave the continental United States.

**Ms. Beth Potter:** Yes.

**Mr. Michael Prue:** And these are politicians. I don't know how we get around this insularity if we are to grow that market. They don't seem to want to allow themselves to grow it.

**Ms. Beth Potter:** We are seeing, in recent years—in the past two years—an uptick in the number of Americans who are carrying a passport, which is wonderful. The Canadian dollar certainly has an impact on American visitors as well. There are changes happening on that front, but the fact of the matter is that we need to convince them to come back. They are reluctant to leave their home country and travel north across the border. So we need to continue to be delivering our message that we have a great place to visit.

**Mr. Michael Prue:** Almost every place that I travel to, at least in the United States, has a hotel tax. I pay it wherever I go, and that money is used for tourism. We don't have one, and I have heard from the industry in the past that you don't want one.

**Ms. Beth Potter:** We don't have a hotel tax. In Ontario, we have a voluntary destination marketing program whereby hotels can voluntarily agree to participate in contributing to that destination marketing program through their local hotel association. Whether or not they choose to—how they choose to collect that money or find that money to make the contribution to the plan—the program is up to the hotelier. It is up to them to choose whether they pass on the cost of participation directly to the guest through an additional percentage on their bill, or whether they take it as a portion of their sales.

**Mr. Michael Prue:** Now, is that as successful? Because when I turn on the television, I see ads for New-

foundland that are brilliant. I see ads for Las Vegas. I see ads for Arizona. I see ads for across the United States. I very seldom see any ads for Ontario. I think this is all being paid for mostly from hotel taxes. Am I wrong?

**Ms. Beth Potter:** I don't think that you are wrong. I think that there certainly is a significant provincial marketing budget, or state budget, as well for those programs. The Brand USA program in the States has been very successful, and I believe that at the national level—in fact, I know that at the national level—they're trying to convince the federal government to initiate a similar type of program to try to encourage the Canadian Tourism Commission, along with its provincial partners, to aggressively go after the American market again.

**Mr. Michael Prue:** I'm just trying to think. I'm reluctant—no, no. I'm going to give it up. I think I've asked enough questions. You're very good.

**Ms. Beth Potter:** Wonderful. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Beth, for coming today.

#### ONTARIO COMMUNITY SUPPORT ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation of the afternoon is the Ontario Community Support Association.

Chris, make yourself comfortable. If you have a handout, the Clerk will take it from you.

**Ms. Deborah Simon:** I do. And I'm not Chris; I am Deborah Simon. Chris is working with us. It's my pleasure to be here this afternoon. I understand I'm the last one between now and your break, so—

**Mr. Joe Dickson:** Save the best for last.

**Ms. Deborah Simon:** Save the best for last.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Fifteen minutes, like everybody else. You use that any way you see fit. If there is any time left over at the end, it will go to the government side.

**Ms. Deborah Simon:** Okay, great. Thanks for this opportunity to appear before the committee and provide a perspective from the Ontario Community Support Association—we refer to ourselves as OCSA—and present on our asks for the 2014 Ontario budget.

For those of you who are not familiar with our organization, let me tell you a little bit about us. We are a network of hundreds of not-for-profit agencies providing home and community support services to over one million Ontarians, including organizations right here in Peterborough.

Providing cost-effective health care to an aging population is the health public policy challenge of a generation. Ontarians and Canadians may be living longer, but we're not becoming healthier. A recent House of Commons health committee showed that the number of years lived in good health peaked in 1996, and it's been on a downward slide ever since.

As we know from our work with elder communities in Ontario, the majority of seniors have at least one chronic

condition and as many as one in four have two or more. But most startling is that 5% of our health care users rely most on our health system, and account for as much as two thirds of the public expenditure.

Fortunately, we have a pretty good blueprint on all these challenges and seize the opportunities. You will no doubt be familiar with Dr. Sinha's report, released last winter, which is intended to guide the government's Seniors Strategy. In it, Dr. Sinha persuasively laid out arguments in favour of transforming our health care system into one that focuses on community, with a particular focus on home and community support.

**1320**

His report also expanded on arguments that OCSA has made previously that home and community care services are more publicly affordable to the government. As was noted, caring for seniors at home costs 67% less than care in long-term-care homes and 95% less than providing that same care in hospitals. We know that people don't want to be in hospitals, nor is it healthy for them to be there.

So we're conscious of the government's health care objectives to effectively deliver quality health care services and to help prevent people from getting sick or requiring acute care. In fact, these are the objectives of our sector.

Along with Dr. Sinha's recommendations, the OCSA has welcomed the Ontario government's funding increases to home and community support in the last two consecutive budgets. Even with designated increases in the last two budgets, we are still behind on maintaining the necessary infrastructure, as budgets had been previously frozen for several years.

Allow me to explain. Our agencies are struggling to pay 2013 costs for wages, rent, electricity, gas and supplies—in other words, infrastructure that's integral to the sector—with 2007 dollars. The inflation rate, not compounded, has increased 11% over this time, representing a serious shortfall in necessary revenue.

We have asked all we can of our clients. We run very effective operations, but unless this shortfall is resolved, we are concerned that waiting lists will persist, efforts to improve quality through modern technology will stall, and greater costs to the ministry will accumulate as patients are forced to remain in more expensive hospital beds or long-term-care beds.

Just as a bricks-and-mortar-hospital may need the construction of a new wing to treat additional patients, home and community support agencies require certain infrastructure investments in order to serve an expanding number of clients. The OCSA has presented options for addressing this funding shortfall while remaining within the government's fiscal framework, including allowing a small portion of targeted funding to be used for administrative purposes.

I urge you to consider these options. Acknowledging and addressing the reality that local agencies are facing is a key determinant in ensuring the effective delivery of the quality results the government and public rightly seek.

Another ongoing concern is the shortages 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 our community health sector and the institutional health sectors. The recruitment and retention challenge is magnified by the inability of agencies to offer wage increases for personal support workers, or PSWs, due to the absence of base funding increases. For some agencies, this may create labour difficulties which threaten client services.

We must ensure, to meet the future demand for home and community services, that there is sufficient funding flexibility afforded to sector agencies to attract and retain qualified PSWs. Also, while there is progress being made towards addressing the quality of training provided to PSWs, appropriate resources to support the development and monitoring of training criteria are still required.

We further recommend that, in your 2014 budget, we be provided with sufficient funds to address wait-lists and projected future demand—

**The Chair (Mr. Kevin Daniel Flynn):** Can I jump in there, Deborah? These are really sensitive microphones, and everybody's tendency is to lean into them—

**Ms. Deborah Simon:** Is that me? Oh, sorry.

**The Chair (Mr. Kevin Daniel Flynn):** —so feel comfortable to relax and sit back a bit.

**Ms. Deborah Simon:** Oh. I thought all that banging was somebody else, and it was my voice. I'm sorry.

**The Chair (Mr. Kevin Daniel Flynn):** Everybody does the same thing, so don't feel bad.

**Ms. Deborah Simon:** Okay. Thank you.

We further recommend that the 2014 budget provide sufficient funds to address the wait-lists and projected future demand for both community support and attendant outreach services. There are many communities for which these services are actually short or nonexistent, and an investment in this area would support the ministry's key directives under the health action plan.

In closing, OCSA encourages MPPs to think strategically about investing in home and community services now so that we will save the government money in the near future and improve the health care of Ontarians. I thank you for your attention today, and I would be pleased not to lean into the mike, but to answer your questions with regard to my presentation. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Deborah. A great presentation.

Questions? We've got about seven minutes. Dipika?

**Ms. Dipika Damerla:** Well, thank you so much for coming and making a very comprehensive presentation. I'm going to borrow a leaflet from my senior colleague here, MPP Prue, and ask you: Have you costed out some of the recommendations that you are making?

**Ms. Deborah Simon:** Yes.

**Ms. Dipika Damerla:** Can you give us some idea of what those costs might be in terms of the budgetary pressure it would place?

**Ms. Deborah Simon:** Over the last two years, the ministry—and we're thrilled that they have done this—has been investing anywhere from 4% to 6% of funds into home and community support. We think that this is a great investment. It is a large pot of community support agencies to invest those kinds of dollars in.

In terms of straight millions of dollars, I can't give you an actual number on that, but I can tell you that compared to a comparative investment in institutional care, \$1 million in home and community support goes a whole lot further than when you invest in the hospital.

So we would like to encourage the current government to continue with that 4% to 6%—I think it was 6% in the last budget—in community investments, but really look at a targeted investment in community support, which is different from the CCACs, as you know, because we provide services such as Meals on Wheels, community dining, all of those supportive services that keep seniors in their homes.

**Ms. Dipika Damerla:** My other question: I was quite intrigued when you said—I think you said 1996 was the year we peaked not in longevity, but probably in quality of life. Could you speak to that a little bit? What are the factors and—

**Ms. Deborah Simon:** Sure. I think there are a number of factors, but certainly we're hearing more and more about the impact of obesity, diet and diabetes on the population as a whole. What you're seeing now is people living longer with chronic disease. In my presentation, I mentioned that seniors now are on average carrying one to two chronic diseases. Therefore, that cost is exponentially lengthened over supporting people who are now living longer.

Why did we peak in 1996 and go down? That's probably something, I think, for public health to understand, why the population is not as healthy as it used to be. But it probably really is directly a factor of just living

longer, so therefore living, now, with more chronic disease.

**Ms. Dipika Damerla:** Thank you very much.

**Ms. Deborah Simon:** You're welcome. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Any other questions?

Thank you, Deborah. Thank you very much for coming today. We appreciate it.

**Ms. Deborah Simon:** Thank you very much. I appreciate it.

**The Chair (Mr. Kevin Daniel Flynn):** And say hi to Chris for us.

**Ms. Deborah Simon:** I will.

**The Chair (Mr. Kevin Daniel Flynn):** Those darned male/female names.

I understand the committee wants to deal with one more motion before we recess to Toronto, and that is that there's been a suggestion that—the Clerk was saying that we'd be on our own for lunch tomorrow. There's a delegation that could be put in at 12 o'clock, and lunch could be brought in. The committee could meet from 12 to 12:15, have lunch brought into the room and have a 45-minute lunch in the room.

Dipika, I've talked to Mr. Fedeli and I've talked to Mr. Prue about this. If you want to put the motion forward and see what the committee does with it.

**Ms. Dipika Damerla:** Thank you, Chair. Building on what MPP Flynn said, I move that the Toronto Mental Health and Addictions Supportive Housing Network be added to the agenda at 12 noon for the Toronto consultation of the Standing Committee on Finance and Economic Affairs, to be held on Thursday, January 16, 2014.

**The Chair (Mr. Kevin Daniel Flynn):** Is there any discussion on that? Seeing none, all those in favour? Those opposed? That motion is carried. Thank you.

We're adjourned to Toronto. Thank you very much.

*The committee adjourned at 1328.*







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## CONTENTS

Wednesday 15 January 2014

Pre-budget consultations .....	F-557
Hon. Jeff Leal	
Ontario Association of Residences Treating Youth .....	F-557
Mr. Mark Williams	
Kawartha Child Care Services .....	F-560
Ms. Sheila Olan-MacLean	
Peterborough County-City Health Unit.....	F-562
Dr. Rosana Pellizzari	
Peterborough Health Coalition.....	F-564
Mr. Roy Brady	
Peterborough Poverty Reduction Network.....	F-567
Ms. Diane Therrien	
Peterborough Poverty Reduction Network.....	F-569
Ms. Tara-Lyn Prindiville	
Durham Region Home Builders' Association.....	F-572
Ms. Anita DeVries	
Mr. John Martyn.....	F-574
No Casino Peterborough .....	F-576
Ms. Carleen Johnson	
Northumberland Community Legal Centre.....	F-577
Ms. Teresa Williams	
Peterborough Community Legal Centre .....	F-580
Ms. Martha Macfie	
SaveLocalSchools .....	F-582
Mr. Bill Templeman	
WoodGreen Community Services.....	F-584
Mr. Brian Smith	
Ms. Bonnie Clark	
Ms. Sydney Blum	
Ms. Joanne Bazak-Brokking .....	F-587
Scarborough Health Coalition.....	F-589
Mr. Kingsley Kwok	
Trillium Energy Alliance Inc. ....	F-591
Mr. Jeff Mole	
Tourism Industry Association of Ontario.....	F-593
Ms. Beth Potter	
Ontario Community Support Association.....	F-595
Ms. Deborah Simon	