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(Hansard)**

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(Hansard)**

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**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

1st Session
42nd Parliament
Monday 21 January 2019

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

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42^e législature
Lundi 21 janvier 2019

Chair: Stephen Crawford
Clerk: Timothy Bryan

Président : Stephen Crawford
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Monday 21 January 2019

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Lundi 21 janvier 2019

The committee met at 0859 in the Best Western Plus Dryden Hotel and Conference Centre, Dryden.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Stephen Crawford): Good morning, everybody, and welcome to Dryden, Ontario. It's an honour for all of us to be up here to do our first pre-budget consultation on the road.

We're meeting here for the pre-budget consultations. Each witness will receive up to seven minutes for his or her presentation, followed by eight minutes of questioning from the committee, divided equally between both the government and the opposition sides. I'll give each person a one-minute warning when there is one minute left in both the presentation and the questions. With that, are there any questions before we begin?

DRYDEN REGIONAL HEALTH CENTRE

The Chair (Mr. Stephen Crawford): We'll call our first witness, the Dryden Regional Health Centre. Welcome. If you could please state your name for the record, and you can get right into your presentation of seven minutes.

Mr. Wade Petranik: Thank you, Mr. Chair. My name is Wade Petranik. I'm the president and CEO at the Dryden Regional Health Centre. I would like to welcome all the members of the committee to Dryden. Welcome to Dryden; it's great to have you here. Thank you so much for the opportunity.

Small northern communities are leaders in integrated care throughout the province. Much of the integration that has been achieved to date has been largely developed and supported by local leadership, and driven by an environment of increasing service demands and scarce resources. Northern communities have found ways to share resources and expertise within and throughout the local health system and across health sectors, making the system more connected and responsive to patients, and reducing service gaps.

Organizations like the Dryden Regional Health Centre have successfully integrated hospital operations with community-based mental health and addictions programs and primary care to create a more effective and efficient local service delivery system. All of these programs share governance and administrative resources across the system, and are able to better coordinate the right care to

meet the needs of patients and families. Family doctors provide both primary care and hospital-based services. Patient information is easily shared across the circle of care. Resources can be mobilized and moved across the hospital and community to meet local needs and priorities. Administrative costs are also leveraged across the system and duplication is reduced.

The Dryden Regional Health Centre has partnered with Thunder Bay Regional Health Sciences Centre to bring specialty services and care closer to home. We have accomplished this in the northwest through the development of regional specialty programs, such as our regional orthopaedics program.

Today, in Dryden, you can get your knee or hip replaced or have your shoulder surgery by visiting orthopaedic specialists from Thunder Bay, all without having to travel. You can also access specialty consultations from specialists throughout our province through our advanced telemedicine network. There are many regional programs either working or under development, such as our cancer care satellite chemotherapy program, critical care, stroke program, pharmacy program and rehabilitative care program. All of these programs are helping to reduce travel for patients, improve cost-effectiveness, and increase the timeliness and quality of care.

There are many system challenges and opportunities as well. Similar to our urban counterparts, many small, rural and northern hospitals are experiencing system capacity pressures, including increasing emergency room visits and alternate-level-of-care patients within hospital beds. These pressures are growing rapidly due to:

- a growing seniors population with increased incidence of dementia and Alzheimer's disease;

- a growing young Indigenous population, coming from remote, northern, fly-in communities with multiple health and social services needs;

- an epidemic of drug and substance abuse including opioids and more recently, with a larger impact on health and social services, methamphetamine.

These demographic challenges and other challenges are having a substantial impact on hospital resources and are further exacerbated by systems issues:

- a home care system that lacks stability, consistency and sustainability;

- a lack of supportive and other alternative housing for seniors and people suffering with ongoing mental health and addictions issues;

- inadequate long-term-care-bed capacity; and

—challenges in recruitment and retention of health care professionals.

It should be noted that recent investments and announcements by government for addressing surge capacity have not “trickled down” to many small communities.

New investment in increasing long-term-care-bed capacity is hampered and slowed in small northern communities by the need to develop new physical space, and in achieving critical mass required by long-term-care formulas.

Capital funding policy fails to recognize the significant differential in construction costs in the north, and the increased burden on municipalities and local fundraising. We are already at a significant disadvantage to our southern counterparts relative to stagnant local economies, and a very small pool of philanthropists.

Solutions for today and tomorrow: Small northern communities are well-positioned to build upon our current strengths and our advanced degree of system integration. Government can create a rural and northern health policy that accelerates integration and removes barriers and red tape. This can be achieved by:

—enabling the creation and funding of vertically integrated systems that deliver services across the continuum of care. These systems could be funded with a single funding envelope and accountability that includes home and community care and placement coordination services that are now provided by local health integration networks;

—reviewing and eliminating accountability bureaucracy—thus reducing administrative cost and burden—and regulatory standards that do not add value for patients or taxpayers;

—supporting investment in supportive housing, mental health and addictions resources, and long-term-care capacity with funding that is flexible to meet the unique challenges of small, rural and northern communities;

—ensuring that small hospitals in rural and northern communities are financially stable while service capacity outside of the hospital is being developed. Small hospitals are the safety net for the health system when care is not available, or where service gaps exist. A 3% base operating increase across small hospitals equates to approximately \$20 million, which is a very small investment relative to the overall provincial health budget of \$61 billion;

—developing new physician remuneration models that align with the overall objectives of the health system and incent recruitment and retention for small, rural and remote communities;

—aligning college and university training for health professionals with industry demand.

These initiatives, if implemented, would go a long way in creating a more sustainable and effective local health system for today and the future.

Thank you very much. I’d be happy to answer any questions.

The Chair (Mr. Stephen Crawford) Thank you very much. Right on time.

We’ll start with the opposition side. We have four minutes of questioning. Mr. Arthur?

Mr. Ian Arthur: Hi. Thank you very much for your presentation. It’s wonderful to be here in Dryden to hear from a small community the challenges that you’re facing.

You touched on “enabling the creation and funding of vertically integrated health systems.” It seems like that’s anticipating the changes that are coming to the LHINs. Would you touch on the importance of local decision-making abilities and that they will need to direct their own health care under the potential super bureaucracy that might be coming up?

Mr. Wade Petranik: I think it is really important that we have the flexibility locally to look at the health system priorities in our community and create plans and services that match those priorities. Sometimes there is quite a gap between what the priorities are for an organized area, which is the average across the province, and all the small and remote communities in the north, such as Dryden.

I think that disassociation between priorities is critical. We are focusing on things that really aren’t adding value for our patients and their problems if we focus on some provincial priorities that just aren’t applicable in our context and environment. So it’s great to have that whole flexibility [*inaudible*].

Mr. Ian Arthur: Thank you very much.

The Chair (Mr. Stephen Crawford): Ms. Shaw?

Ms. Sandy Shaw: Good morning.

Mr. Wade Petranik: Good morning.

Ms. Sandy Shaw: You talked about your story. It’s local and specific to Dryden and the many challenges here, but our health care system is challenged all across the province. The emphasis and a priority that has been identified is alternate-level-of-care patients not having places to go. But can you talk a little about funding? The Ontario Hospital Association has called for a 3.5% increase to the base funding, just to meet the needs you talked about: the increased demand, and the aging demographics. What we have seen so far is some surge funding, as you describe, which is kind of stopgap-measure funding. Can you talk about the conditions right now that this community is facing with the lack of funding, or the inadequate funding, for hospitals?

Mr. Wade Petranik: Yes. In the last couple of years, we have seen our in-patient capacity going up steadily. We usually staff for about 75% of occupancy. This morning we had 42 patients and we had 41 beds. That’s this morning, because I went and checked this morning, just before I came here. Our emergency room visits are growing constantly year over year, and we have one physician in the emergency department. A lot of those pressures are related to the mental health and addictions issues that we’re facing in the community. I talked a little bit in my presentation about methamphetamines. That is truly becoming an epidemic in our region. I think it’s really moving from west to east.

0910

These are some of the challenges that haven’t been addressed through the surge funding, because we just

don't have alternate space that we can develop and implement, so we didn't receive any of the funding.

The Chair (Mr. Stephen Crawford): Mr. Arthur.

Mr. Ian Arthur: Just very quickly, because we're running out of time: Do you know how often your hospital is at capacity or over capacity?

Mr. Wade Petranik: It's kind of sporadic, but certainly over the last several months—a couple of weeks ago, we had 54 patients and 41 beds. So these are very challenging times. Certainly, we do see lulls. When we get some kind of bottlenecks that break free in terms of placement in long-term care or whatnot, we'll see some relief. But it is happening more and more frequently that we're over capacity.

Mr. Ian Arthur: Thank you.

The Chair (Mr. Stephen Crawford): We'll now move to the government side. Ms. Skelly.

Ms. Donna Skelly: Thank you, Mr. Petranik, for your presentation. It was wonderful waking up this morning in Dryden and looking at all that snow. I grew up in northern Ontario, and I can tell you it brought back some wonderful memories.

Mr. Wade Petranik: We say it's "fresh."

Laughter.

Ms. Donna Skelly: It is. It was very fresh last night.

You mentioned retention of staff. Are you facing ongoing challenges attracting and retaining staff to northern communities?

Mr. Wade Petranik: We are, and we have sporadic—in different health professions, we have shortages and challenges. Right now, nursing is an issue. We've been lobbying constantly over the year to have this "grow your own nurse" program. It has been very successful. It's a satellite bachelor of science and nursing program that is being delivered with Lakehead University—except that it's still not enough, right? We graduate maybe 10 individuals through that every four years, which isn't really keeping up with the demand for those professions.

But also, some of the other colleges and universities just don't offer the programming that we need for lab technologists, ultrasound technologists and other kinds of professions as well.

Ms. Donna Skelly: We are realizing a skills shortage in just about every sector, and it is critical. We're hoping to address that.

I'm from Hamilton now, and recently had an opportunity to speak with some of the executives at St. Joseph's Healthcare. They currently offer an integrated comprehensive care pilot program. In essence, what they're doing is making the points of transition into care seamless for both the patient and the family. They have eliminated, in this pilot project, the CCAC and the LHIN and actually go directly and offer this integrated service. Is that a challenge at all when you're trying to connect the patient to the continuing care, once they are treated at a facility?

Mr. Wade Petranik: Yes, and as I mentioned in my presentation, I think the biggest barrier for us is the home care system. Right now they are experiencing intensive labour shortages—PSWs and nursing staff—and quite

often they just don't have enough human resources to deliver the services. Those folks end up in hospital more or less because they can't get the care on a consistent or a sustainable basis.

We have lots of examples of integrated care and ways that we move through the community and the hospital. We're part of the bundled care program for the regional orthopaedics as well, so we follow the patients through the system there.

Because we also operate a family health team as well as a hospital, we can follow patients that come into the hospital back out into the community, so we do that. So if you're in hospital with an acute episode, you'll get a visit from primary care and then also a home visit as a follow-up.

The Chair (Mr. Stephen Crawford): Mr. Piccini.

Mr. David Piccini: Thanks, Wade, for being here today. I really appreciate your presentation.

I just wanted to touch on—and hopefully we'll chat off-line further about aligning the college and university training to ensure health professionals have the skill set to meet industry demands, as you said, and linking that to physician remuneration models as well. I imagine that you have local linkages, but where do you see that, going forward? Do you see new funding for operational grants and funding for our physicians and their programming aligned with that need?

Mr. Wade Petranik: There are some really good synergies out there already. We are a teaching hospital here in Dryden as well, so we have the Northern Ontario School of Medicine. We have residents and students that are training in our rural environment.

At the same time, I think there needs to be some kind of capacity planning table between the system and the colleges and universities that looks at the supply and demand across the system, and particularly in the north, so we can start talking about how many positions we need available in various health professions.

The Chair (Mr. Stephen Crawford): Thank you very much. Your time has run out, but we appreciate your presentation.

Mr. Wade Petranik: Thank you very much to everybody. Have a great day.

ELEMENTARY TEACHERS'
FEDERATION OF ONTARIO,
KEEWATIN-PATRICIA TEACHER LOCAL

The Chair (Mr. Stephen Crawford): I'd like to call up our next witness, from the Keewatin-Patricia Teacher Local.

Thank you for coming here to Dryden to present. We look forward to your presentation. If you could just state your name for the record, and you can start right with your presentation.

Ms. Kim Douglas: My name is Kim Douglas. Good morning. Thank you for the opportunity to participate in the 2019 budget consultation. I am the president of the

local teachers' association. The local I work in has an operating area of 75,000 square kilometres. I represent 220 teachers in 11 communities.

I am pleased to hear that the Ford government says, "Ontario is ready for a government that works for the people." Unfortunately, this is not true for the people in the north. The government's intent to remove 4% from the education budget will severely impact this small, forgotten region of Ontario.

In this context, here are the three areas I would like to address: support for students with special needs and mental health needs, educating the whole child, and funding model deficiencies.

I'm going to begin with supporting students with special needs and mental health needs. We recognize the fact that violent incidents are on the rise in classrooms. This message came through very clearly with the Ministry of Labour consultation process that happened across Ontario last year. High-risk behaviour is becoming the norm in our area. Educators are having to teach wearing personal protective gear to ensure their safety. Classrooms are regularly evacuated when a student is having a meltdown, which is a horrific display of a child at their breaking point.

Our schools here do not have child and youth workers or behavioural therapists. We also do not have the ability to make appointments with psychologists or psychiatrists, because there are very few available to us. There is a long wait-list for service from our child mental health agencies. Our families in the north may even be required to drive to bigger cities such as Thunder Bay to get the service they need for their children. For some of our communities, that's a seven-hour drive with very unpredictable highways and weather. If you don't have a vehicle, it's a real barrier because Greyhound no longer services our area and you could not afford the Bearskin airfare should you decide to take a plane.

We continue to struggle to support the students as we have been doing, but a cut to our funding would be devastating. Educators are burning out just from the stress of dealing with high-risk students, and there are high rates of employee absenteeism. Many teachers are utilizing their full sick leave, which could be prevented if education was funded to reflect the needs in the north.

0920

The Northwestern Health Unit distributed an annual report, titled Northwestern Health Unit Child and Youth Mental Health Outcomes Report 2017, which outlines health indicators relating to mental health outcomes in my area. Here are some statistics that might surprise you:

Between 2002 and 2011, there were 70 suicides among people in the north. That's one suicide every 46 days. This statistic is eight times higher than anywhere else in the province.

In 2015 alone, there were 75 hospitalizations due to intentional self-harm for kids between the ages of 10 and 24, four times higher than the provincial rate.

In 2015, there were 258 hospitalizations in this area for those between the ages of 10 and 24 due to mental and behavioural disorders.

Hospitalization rates from substance misuse in this age population are twice as high as in the rest of the province. Alcohol is a leading cause of substance misuse in this age population of 10 to 24—those are 10-year-olds that are using alcohol—five times higher than the rest of the province.

Special education funding is based on a model that estimates demographic data. We are a growing population and we have many transient families who move between our communities. We are receiving and supporting students in our schools with complex issues and trauma like we've never seen before, and we are addressing poverty and parental mental health issues daily. We continue to see the effects of the residential school system. We need to adequately fund students and their needs.

The recommendation that I would like to suggest to the budget committee to consider is that you review and update the funding model to accurately support and reflect special education and mental health needs for the children of the northern part of this province.

Educating the whole child: The world that we know is changing with lightning speed. We spend time updating our phones and computers, but we don't spend the time updating our human creative systems. The upcoming workforce is looking at a whole different way of earning their paycheque. The new generation want to be their own bosses. Being self-employed with exceptional skills will be the safest option for many of the people we now call our students.

Since 1998, our students have had less access to specialized teachers and instructional programs in the arts, health and phys ed, guidance and library services. It's time to bring them back. These specialized teachers can teach our upcoming workforce how to be better at relationships, and how to use creativity and minds to build business and create wealth. With the right supports, these students can show the world that yes, Ontario is open for business. The recommendation I'd like to suggest is that you amend the current funding model and adequately fund elementary teachers with specialized teachers in the arts, guidance, health and phys ed areas.

The last issue I'm going to bring up is the funding model deficiencies. For students in the north, the current funding model does not meet the needs of the students it is designed to support. The model, acknowledged as inherited by this government, has not seen significant improvements since its inception and has not been reviewed since 2002. Many of the students in our schools today were not even born at that time.

Educating our youth is our duty, and we need the financial support to do that well. Not only do they contribute to our society, but it is a proactive, long-lasting way of increasing civil engagement and potentially lowering the crime rate. For schools in the north, we are harshly hit. We have a significant population of at-risk students who cannot access services they need locally. We have a large population of socio-economically disadvantaged people and a large population of First Nation people who need support and education to change their lives. The

recommendation I would like to suggest is that you reinstate the EPO funding that will assist the at-risk students in our school systems and the lower-income families.

Education, when intentionally and thoughtfully funded, has the power to change, weaken and even break the cycles of poverty, addiction and trauma. This front-end loading of funding is an investment that—

The Chair (Mr. Stephen Crawford): One minute.

Ms. Kim Douglas:—the government can make which will impact Ontarians for a long time. It will pave the way for the necessary skills and talent that will bring and retain quality jobs to Ontario and will loudly announce to the world that yes, we are open for business.

Thank you.

The Chair (Mr. Stephen Crawford): Thank you very much. We have four minutes of questioning. We'll start with the government side. Mr. Piccini.

Mr. David Piccini: Thank you very much for presenting today. I certainly appreciate that.

I hear you on the funding model not being revised since 2002, so that's certainly something we can all take back to Queen's Park.

Speaking on some of the challenges of the funding model, do you have any recommendations on areas you see where perhaps we could find efficiencies and reallocate? Given the \$15-billion deficit we're in, often—I'm with training, colleges and universities, and one of our biggest challenges is that we fund \$5 billion, the complete envelope, for university and college programming. We need to service our debt—it's \$15 billion—so it's unsustainable in the long run. We could be doing so much more with that money. So do you have any recommendations on areas where you see we could really pinpoint and—

Ms. Kim Douglas: Transportation in the north is a huge one. That's big. That needs to be reviewed, in my opinion. I think one of the things that you need to do—I know you talk to boards; I know you talk to directors and higher-up people. But have you ever really talked to the teachers? Have you seen where the efficiencies are? We're the ones who are living and breathing these days. We go into classrooms. We see where cuts may be potentially made without harming services. That's where I would start.

The Chair (Mr. Stephen Crawford): Mr. Cho.

Mr. Stan Cho: Thank you very much, Ms. Douglas, for your presentation. My better half is a special education teacher in Toronto, and I understand the difficulties and the challenges. It's very interesting to hear some of the unique challenges here in the north.

I'm wondering if you would indulge us a bit and expand on your human creative systems that you brought up. I'm wondering if you could just explain that.

Ms. Kim Douglas: Now what we do is we have teachers who teach everything. In the elementary system, teachers teach math, language, gym, science, everything from the get-go. When we want children to be really creative, we have to open that box for them and allow teachers who are specialized to teach and bring the skills that they have to these students. Teachers who are generalists spend a lot of time planning for the whole general

program, but providing those special services, those specialized teachers, will really open the door for a lot more learning. Not every kid learns with paper and pencil, sitting at their desk. It's important that we utilize the skills that teachers have outside of that, writing on the board, writing on paper and trying to use these specialized teachers to the best of their abilities. That's their speciality, right?

We have forest schools in our board. Forest schools are like forestry schools. Kids go out and they learn in the bush. They learn how to skin a deer, how to cut down a tree. Those are the examples that those specialized teachers bring to those kids that they may never, ever experience sitting at a desk writing with paper, right? And when you learn it that way, you'll remember it for life.

The Chair (Mr. Stephen Crawford): Mr. Roberts?

Mr. Jeremy Roberts: Thank you so much for being here. I appreciate the focus on students with special needs. I have a younger brother who has autism, so this is an area that's important to me.

One of the things that I've heard a lot across the province is that there are some school boards that aren't allowing ABA therapists to come into the classrooms. When I've done some round tables across the province, there seems to be a split between southern Ontario, where they aren't able to access the classrooms, and northern Ontario, where there seems to be more of a collaboration. If there were more ABA therapists up here in the north, would you think that that model would be something that your members would be comfortable with—having ABA therapists in the classroom to help?

Ms. Kim Douglas: I'm a special ed teacher. I worked with an ABA specialist in my board. We welcome them in our board. We have them come in. They've made great strides with students and really supported them. We would probably appreciate the support.

The problem with bringing people into the north is that they don't want to come here. They come for a day. I had a teacher who went to a community three hours away from here, who came from southern Ontario and lasted five days. She turned her keys in at the end of the day and said, "I'm done." Nobody wants to come to the north if there are no perks. When you can work in southern Ontario every single day, why come to the north?

The Chair (Mr. Stephen Crawford): Okay. Thank you very much for your presentation. We appreciate it.

Interjection.

The Chair (Mr. Stephen Crawford): Oh, sorry. Sorry, my apologies.

Ms. Kim Douglas: I'm coming back, aren't I?

The Chair (Mr. Stephen Crawford): We have to go to the opposition for questions—four minutes. Mr. Mamakwa.

Mr. Sol Mamakwa: Thank you for the presentation. Just being from the north—Sioux Lookout in northern Ontario—I think I understand the challenges, the issues and also the successes that we try to utilize.

I guess my question would be very straightforward: Do you find that funding models—the deficiencies—do not

reflect the uniqueness of the north? Do you find it that way, some of the models that are there? The cost of providing programs and services in the north is very different from, for example, in Toronto. Do you find that? Could you elaborate a little bit on that?

Ms. Kim Douglas: I absolutely do, and I actually worked in Sioux Lookout for the six years beginning my career.

Funding models: There is quite a difference. Even if you think about a breakfast program in the north, here in Sioux Lookout, if you buy a box of cereal, it's \$6 or \$7. We use our budget to buy those kinds of things to feed the kids. We're paying twice as much as people are paying in the south. If you go to Pickle Lake, which is four and a half hours from here, you're paying huge amounts of money for services that you wouldn't pay for in Toronto. As for the money for the rest of the funding, just the sheer geographic nature of our board is a deterrent to using our money well.

Mr. Sol Mamakwa: Thank you.

The Chair (Mr. Stephen Crawford): Mr. Arthur.

Mr. Ian Arthur: Thank you very much for your presentation.

Would you just comment on integrated classrooms and whether you think they're an effective, or whether separated classrooms—that transition that happened and what are some of the results that happened because of it?

Ms. Kim Douglas: I worked in an integrated classroom in Sioux Lookout my first six years. I came to Dryden and did the same thing. I think classrooms should be filled with all kinds of kids because that's where you learn the best from. I think that when you isolate a child and you teach them outside of reality, you're not doing that child any favours. I believe children should be integrated.

Mr. Ian Arthur: Do you have the supports, then, to run integrated classrooms well?

Ms. Kim Douglas: We actually do not. Many of our teachers are running classrooms without support. Many of our schools—we don't have the bodies; we don't have the funds to pay the bodies. These are students who are high-needs, usually, and they don't have the ability cognitively to deal with the issues that they're bringing to the classroom. It's really hard on a student as well as their peers and their teachers when there are meltdowns or major issues with behaviour. We don't have the support.

Mr. Ian Arthur: Switching gears quickly—I'm sorry—you talked about transportation being one of the major obstacles. Could you comment on the \$20 million to \$25 million that was apparently cut from the forest access roads program and whether that will have an impact on your students?

Ms. Kim Douglas: It absolutely will. My own children are not eligible to ride the bus to school. I have to drive them 13 kilometres to get to the bus, if they take the bus.

The Chair (Mr. Stephen Crawford): One minute.

0930

Ms. Kim Douglas: We have huge gaps. We have huge geographic areas where we have to transport our kids. The sheer cost—even our gas here is \$1.19; you're paying 99

cents in southern Ontario. That cost is factored into the amount of money that we have. That's not reflected in the funding that we receive.

The Chair (Mr. Stephen Crawford): Ms. Shaw.

Ms. Sandy Shaw: Thank you. Really quickly, could you tell me about the EPO funding cuts? Could you say specifically about the EPO funding cuts or the \$100 million that was taken out of the budget to fix the repairs in the physical schools—can you talk about some of the impacts locally that that has resulted in for you here?

Ms. Kim Douglas: Well, we have schools that have mould in them. I'm sure there are many schools that have that that haven't been taken care of yet. There have been cuts to our breakfast program. There have been cuts to programs that serve students that normally we had serviced up to this point. That's about all I can think of off the top of my head; sorry.

Ms. Sandy Shaw: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Thank you, Ms. Douglas. We appreciate your testimony.

FIREFLY

The Chair (Mr. Stephen Crawford): I'd like to call up our next witness: Firefly.

Ms. Karen Ingebrigtsen: Good morning.

The Chair (Mr. Stephen Crawford): Good morning. Welcome to our committee. Please state your names for the record, and then you can get right into your presentation for seven minutes.

Ms. Karen Ingebrigtsen: My name is Karen Ingebrigtsen.

Mr. Darby Spicer: My name is Darby Spicer.

Ms. Cathy Lundin: My name is Cathy Lundin.

Ms. Karen Ingebrigtsen: I'm the CEO of Firefly. With me is Darby, a parent who has generously given of his time to share his service experience with us. Cathy is the clinical manager of a program called SNAP. I'm going to speak very quickly so that Darby gets most of the time here.

Firefly is an integrated, multi-service agency providing a wide range of children's services in the Kenora and Rainy River districts, including children's mental health, children's rehabilitation, child care and a variety of community and regional services for children.

Firefly is also the mainstream lead agency for child and youth mental health for the districts, providing local, in-community, system-level planning informed by families and community care partners.

Handouts in your package include an overview of Firefly's services, an overview of the exceptionally successful and cost-effective SNAP program, and a youth and family document detailing needed service efficiencies and investments aligned with the 10-year provincial investment on mental health and addictions and provincial fiscal priorities.

Children and youth in our areas, as has been referenced, and adults have very poor physical health status and poor mental health outcomes when compared with the province at large.

The lead agency in our area has made several improvements over the last number of years: reduced wait times in the Kenora area; streamlined service access for children and their families; and new service partnerships to make the most of our available local resources, and also characteristic, I think, of northern regions.

Needed now are after-hours children's mental health community crisis services, as we have none in our communities and parents have nowhere to turn, except to local hospital emergency centres challenged in serving this population.

Providing services closer to home so our youth don't have to travel far from home for specialized services, and redirecting those resources to support local care: The current practice presents significant emotional and financial costs to families, and outcomes for some youth have been tragic.

Targeted investments in services that families are asking for and that are proven effective and efficient: The two examples would be brief services to be extended beyond the Kenora area, and the SNAP program.

Bringing children's mental health services under one umbrella: Reduce the confusion for families, decrease duplication, increase accountability and leverage our collective capacity to increase services without increasing costs.

Darby is kindly here today to share his family's experience with the Firefly SNAP program. SNAP, which stands for Stop Now and Plan, is an evidence-based children's mental health intervention that teaches boys and girls aged six to 11 and their families effective emotional regulation, impulse control and problem-solving skills. The aim of SNAP is to keep children in school and out of trouble by helping them make better choices in the moment. Developing impulse control in the middle years is shown to be a protective factor against future school dropout, criminal involvement, addictions and mental illness.

I'll pass it on to Darby.

Mr. Darby Spicer: Good morning, ladies and gentlemen. My name is Darby Spicer, and I am the proud father of Connor, who is an athletic 11-year-old with an amazing imagination. Connor is also very strong in math and has a large group of friends who all share similar interests.

Lee, my loving wife, is a great mother, and we do our best to raise Connor to be a compassionate and strong individual within our society.

As a family, we signed up for the SNAP program in Kenora in the spring of 2018. My wife and I had heard many great things about the program from other parents who had previously participated in the group sessions. We felt that SNAP could help us strengthen our relationships within our family and help us deal with some problematic behaviours we had begun to experience with Connor.

The staff at Firefly did an excellent job of reviewing our case and providing us with all the information we needed before starting the group sessions in the fall of 2018. Our SNAP counsellor, Zoé, is very knowledgeable and empathetic, and we feel we can always approach her, or any of the other staff members, with any problems or concerns.

In my experience, one of the best parts of SNAP is the way it helps to get everyone involved in Connor's life on the same page. At the beginning of this school year, my wife and I met with Zoé and a number of Connor's teachers and his vice-principal to share information and experiences. I felt that the meeting was the cornerstone on which the entire SNAP process has been built. Having Connor's educational team on board with the process allows everyone involved in Connor's daily life to understand his triggers and behaviours, as well as draw from the same tool box to help Connor control his reactions in a constructive way.

The group sessions with the other families were also very important, in my opinion. Not only was it a chance to network, but it also allowed all the families to share stories and experiences, to improve the collective learning of the entire group. Seeing other parents struggling with issues similar to ours helped my wife and I feel that we weren't the only ones having trouble with our son. It also taught us that perhaps we weren't failing as parents, but only that we needed some new tools in our parental tool box. These new tools have been provided by SNAP and have helped our family work through some difficult situations.

As an example of how SNAP has improved our relationships, I'd like to tell you about an amazing conversation my wife and I had with Connor a week ago.

Recently, Connor has been going through a phase of not wanting to participate in any extracurricular activities, including not wanting to continue the activities he was already participating in. We had a long family discussion about choices and consequences, and how once you sign up to participate in something, you need to see it through to the end. My wife and I both feel that Connor really understood our points on the subject—

The Chair (Mr. Stephen Crawford): One minute.

Mr. Darby Spicer: —and we took the time to understand and validate his points. We both feel that this type of conversation would have never occurred before we participated in the SNAP program. In fact, a conversation like that would have degenerated into a yelling match, with all three of us getting frustrated and angry with each other. SNAP has given us the means to have meaningful discussions regarding important issues in our son's life.

I'd like to make one final point regarding the SNAP program. I'm a swimming instructor, and I spend my days teaching almost every child in Kenora the importance of water safety. As a teacher, I see a wide range of behaviours from children with various backgrounds. I truly believe that the SNAP program would be beneficial to each and every one of them. If SNAP could be offered in the schools as a partnership between Firefly and the local school boards, the social and educational benefits to the children of Kenora would be invaluable.

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SNAP gives every individual the tools they need to help them make good choices, control their emotions and form better relationships with their families, friends and peers. The skills learned through SNAP are, I feel, an important

educational piece that is truly lacking in our education system today.

Thank you for your time.

The Chair (Mr. Stephen Crawford): Good timing. Thank you, Mr. Spicer.

We're going to start with four minutes of questioning from the opposition side. Mr. Mamakwa.

Mr. Sol Mamakwa: Thank you for the presentation.

I'm just wondering: Do you guys travel to any fly-in First Nation communities?

Ms. Karen Ingebrigtsen: Firefly children's rehabilitation services does. We have connections with Sioux Lookout First Nations Health Authority and work closely with them and are serving young children north of Sioux Lookout. It's a really concerning area in terms of the lack of services, and we've been very fortunate, more recently, to be able to reach those young children.

In addition to that, we have implemented a telepractice program which enables us to, once having met the children and working with them, actually meet with the families via video link so that we can continue to work with them.

We have a physician who will often say that a child who isn't speaking at three and four still will not be speaking at nine and 10 in our northern areas. We're hoping we're starting to turn that around.

Mr. Sol Mamakwa: Would you say that the provision of developmental services and mental health for children and adolescents is minimal at best and non-existent at worst?

Ms. Karen Ingebrigtsen: Our previous speaker had actually spoken about some of the data. We know that the mental health outcomes for our young people in this region are the worst in the province, and there do need to be significant investments in terms of the broad range of health determinants to support these young people in having hope and opportunities, as well as mental health services to support them getting through very difficult, traumatic experiences—as well as the history of trauma.

The Chair (Mr. Stephen Crawford): Ms. Shaw.

Ms. Sandy Shaw: We have heard previous speakers talking about the health care system and its challenges—in school, as well. You talked about how, in many cases, the only option that you have is for people to go to the emergency department here. That's a terrible situation. Is it growing? Is it getting worse? Do you see any improvements at all?

Ms. Karen Ingebrigtsen: Definitely, over time, there have been increased visits in emergency departments. We certainly hear about the pressures from our emergency departments across the region. The challenge is, there are not children's services at these sites—and without community crisis services to step in. If an adult attends emergency, there is an adult crisis services program that operates in this region. If you're 16 and over, there are crisis counsellors. If you're under 16, it doesn't exist.

The Chair (Mr. Stephen Crawford): One minute.

Ms. Karen Ingebrigtsen: What is needed is to have community crisis services to divert those young people and families. It shouldn't be your first stop.

Ms. Sandy Shaw: We have a government that signalled that they're looking to cut back on spending, but in fact this province has the second-lowest per capita spending in Canada on social programs. Given that we are underfunded currently and we have a government that's signalling additional cuts and everyone here is saying that in fact what we need is additional resources, can you tell me how you're feeling about the future for the programs in terms of the resourcing that they're needing?

Ms. Karen Ingebrigtsen: Well, I guess I would be optimistic in that there is a \$1.3-billion—

Mr. David Piccini: It's \$1.9 billion.

Ms. Karen Ingebrigtsen: —a \$1.9-billion promise over the next 10 years towards mental health. How that translates or what that looks like, we don't know as yet, but we would hope there would be targeted investments with that that are focused specifically on children and youth and community-based services, because it is in that area that we absolutely need the services.

The Chair (Mr. Stephen Crawford): We'll now move to the government side. Mr. Roberts.

Mr. Jeremy Roberts: Thank you so much for coming today. Darby, thank you for sharing your personal story about Connor. It's good to hear that Firefly and SNAP have been a good resource for you. Congratulations on the work you're doing.

I want to continue along that line, about the \$1.9 billion. We want to make sure that that investment has the biggest bang for its buck, so to speak. I'm just wondering if you guys have some thoughts on how we can best invest that money here in the north. Is it greater accessibility? Is it hiring more workers in the field? What is it that we could do to better improve those outcomes here in the north?

Ms. Karen Ingebrigtsen: I think we're fairly organized in terms of access. What we don't have is capacity. What tends to happen is that our funding is population-based. Therefore, for example, we often will get the equivalent of one position. How do we stretch that one position across Dryden, Kenora, Red Lake, Sioux Lookout and Fort Frances? What we need is to build that capacity so that we have additional staffing on the ground. That is the piece that I would strongly encourage. It won't take that much; we're a cheap service, comparatively, compared to some other organizations. To be able, then, to invest in people on the ground and be available for families would be great.

Brief service is a good example. We have implemented that in Kenora. As a result, we don't have a wait-list. People are being seen. We need to put those same positions in each one of those communities.

The Chair (Mr. Stephen Crawford): Ms. Skelly.

Ms. Donna Skelly: We heard from other presenters about the additional challenges with operating in the north. Do you face similar challenges? If so, could you just expand on those?

Ms. Karen Ingebrigtsen: Certainly. Recruitment is a challenge; geography is a challenge. What we've done around geography is to really try to leverage all of the technology that exists, but the face to face is also a critical part of the service delivery.

We've also been very creative in terms of access to specialist services, such as the telepsychiatry program with SickKids. That has been a fantastic link. That links us to specialists.

But it is true that it is sometimes difficult to recruit people to northern communities without some attraction. We are very good at recruiting, most especially, right now, in the field of pediatric rehabilitation. We have young graduates who are coming for a northern experience, and some are staying. Investment in education and to attract students to our northern communities—there are definitely some really great skills and experiences that they gain—

The Chair (Mr. Stephen Crawford): One minute.

Ms. Karen Ingebrigtsen: —but it is a challenge to recruit.

The Chair (Mr. Stephen Crawford): Mr. Piccini.

Mr. David Piccini: Just a quick question to build on Jeremy's question there: I was wondering if you could elaborate on, given the vast resources—we know that staffing and extending the value of that one or potentially two, three or four people—what role can technology play in that?

Ms. Karen Ingebrigtsen: Just to reiterate: Definitely, wherever we can, we can have a person in one place and they can be connected with families. That will definitely be a big piece that we will continue to develop. Our telepractice, for example, with children's rehabilitation services—that's about a year under our belt now. We're getting very positive feedback from the clients and from staff.

The Chair (Mr. Stephen Crawford): Fifteen seconds—Mr. Downey.

Mr. Doug Downey: A very quick question: The eight locations in Kenora, I presume, are child-care-based.

Ms. Karen Ingebrigtsen: Yes.

Mr. Doug Downey: Is there something unique about the child care that you provide?

Ms. Karen Ingebrigtsen: Not specifically—it just so happens that we are the provider. What I would say is, we co-locate in many of our locations. We are in schools. We have offices. We actually just moved into the new Sioux Lookout school. We are co-located in a school in Red Lake. We're co-located with child and family services offices in a number of other locations. We are a frugal and efficient bunch.

The Chair (Mr. Stephen Crawford): Thank you very much for your presentation. I appreciate it.

Ms. Karen Ingebrigtsen: Thank you.

MS. DAYNA DeBENEDET

The Chair (Mr. Stephen Crawford): We'll move to our next witness: Dayna DeBenedet. Welcome.

Ms. Dayna DeBenedet: Thank you.

The Chair (Mr. Stephen Crawford): Again, if you could just state your name for the record, and you can get right into your presentation of seven minutes.

Ms. Dayna DeBenedet: It's Dayna DeBenedet.

Good morning and thank you to the standing committee for having me today. My name is Dayna DeBenedet, and I'm the CEO at the Dryden Public Library. I am lucky to have one of the best jobs in Ontario, and to work with passionate library staff who make an impact for hundreds of people in this community each day.

I am here today to discuss with you the essential need for strong and vibrant public libraries in Ontario, to highlight how libraries support this government's priorities and to share with you the economic return that libraries can generate with your investment.

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Every year, Ontario's libraries welcome well over 100 million visitors. Local public libraries are Ontario's furthest-reaching, most cost-effective public resource. We help millions of people, from seniors to students, families to local entrepreneurs, in virtually every community in Ontario, large and small, to reach their potential. We are Ontario's original community hubs, with a proven history of responding to and reflecting local priorities. Our libraries drive and sustain economic development, especially in smaller towns and rural communities such as Dryden. This includes providing access to job training and retraining programs, small business supports and reliable broadband Internet service.

We also support educational initiatives by providing high-quality children's programs for young families as well as programming for infants and preschool-aged children that prepare them to enter kindergarten. We offer ongoing literacy support programs such as the Festival of Trees reading program and summer reading clubs. We also support self-directed lifelong learners, local schools, teachers and students, and local distance-education college and university students.

Our libraries are a lifeline for many seniors in this community, keeping them involved and active in their community and helping to combat social isolation. In many communities we've become the front-line access point for digital Ontario government services and transactions.

Here in Dryden, our library serves over 60,000 patrons each year. For many community members, our public access computers, printing service and WiFi are their only point of connection to the Internet. The library is a vital space for individuals to apply for jobs, access forms and applications or banking information, and receive technology training and assistance.

Our library recently collaborated with five other northern Ontario libraries; our service delivery agency, Ontario Library Service-North; and the NORDIK Institute at Algoma University to develop the Valuing Northern Libraries Toolkit, a social return on investment framework that measures the impact of small, rural, northern and First Nations libraries. A social return on investment study evaluates the impact that organizations have on society and the environment. It has its roots in finance, drawing from traditional return on investment calculations. Social return on investment examines the economic contributions that social and public institutions make to the overall local and regional economies in which they're situated.

We calculated our social return on investment using our 2017 statistics, which included, among other things, 249 programs offered for 3,250 participants, 60,412 annual library visits, and an annual circulation of 66,665 items. The study showed that our library provided around \$17 of social return for every dollar invested. That is to say that public libraries like ours deliver a big return on investment. Other return on investment studies have been done across the province in libraries of every size, and every dollar invested in public libraries consistently generates over \$5 in direct economic benefit for the local community.

While we're experts at maximizing the value of every dollar, we've reached a critical crossroads. Unlike other transfer payment recipients, provincial base funding for public libraries has been frozen for over 20 years, and many libraries are struggling to keep up even as demand for our services continues to rise. While we recognize and understand the province's fiscal challenge, there is an immediate need to bring stability to many of our public libraries across Ontario. Through a small investment in the province's annual base funding of \$17 million shared across hundreds of libraries, Ontario can ensure the long-term sustainability of public libraries, especially in smaller towns, rural communities and northern Ontario. That's less than a 2.3% increase for each of the 22 years that provincial base funding has been frozen, without accounting for the impact of inflation. This enhanced, predictable and flexible funding will allow Ontario's public libraries to continue to make immediate and long-term plans that best respond to local needs, including working with the province to provide better and faster access to government services.

Together, we can make sure that all people, no matter where they live in Ontario, will have access to their local public library and the critical resources that it provides.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much. We'll start with questions from the government side, so we'll start with Ms. Skelly.

Ms. Donna Skelly: Thank you, and good morning. I would like you to speak to broadband access in the north and the state of broadband and the role that the library plays in providing that connectivity to residents.

Ms. Dayna DeBenedet: For sure. Almost every library in northern Ontario provides free Internet access. In the past, we have had connectivity funding through the Southern Ontario Library Service. They handle the payments across all of Ontario because we know that in many of the rural areas in northern Ontario, broadband connectivity is unreliable or non-existent. We have many patrons at our library here in Dryden who come in from rural areas outside of Dryden to access our free public WiFi because they just—sometimes, it's because people can't afford Internet service, but often it's because it's just unavailable where they live. I know that there has been a lot of discussion about expanding broadband access across northern Ontario, but we believe that in this region there will still be people who are not reached by those expansions.

Ms. Donna Skelly: Just quickly before I hand it over: Are you familiar with the cost of broadband or Internet

access in northern Ontario compared to other parts of Ontario?

Ms. Dayna DeBenedet: I'm not particularly well versed on the topic, no. I'm sorry.

Ms. Donna Skelly: That's all right.

The Chair (Mr. Stephen Crawford): Mr. Roberts.

Mr. Jeremy Roberts: Thank you so much, Dayna, for being here. I've been a big supporter of libraries for many years. In fact, in my younger days I was the Ottawa Public Library's mascot, Bopl the Fire-Reading Dragon. We took part in an award-winning campaign, "Every Kid a Card," where we tried to expand library cards across the city.

I have two questions for you. One is: How can we perhaps support libraries like yours in making sure that more people can sign up for that library card that gives them access to those services?

Second of all, I know that in Ottawa we're working on trying to increase digital services through the library e-books. I do a lot of audiobook rentals. Is that something that you guys are moving towards, and are people across the broad region that you're covering accessing those services?

Ms. Dayna DeBenedet: Yes. We are a consortium in Ontario for e-book and audiobook access that allows a lot of our smaller libraries to access those services which we would not be able to afford without participation in this consortium. Our library offers it, and most of the libraries we know in this region or in this riding are offering the same service. We definitely see an increase because we know that there are a lot of patrons who are accessing these services who can't access the library. Our library is right across the street from a seniors residence, and we have many patrons there who never step foot in the library because of mobility issues, especially in the winter, but who are accessing the library every day because they are downloading e-books and audiobooks.

The Chair (Mr. Stephen Crawford): One minute.

Ms. Dayna DeBenedet: As to your other question about increasing access to library cards, we do know that recent studies have shown that over 75% of Ontarians say that they have made access to a library in the past 12 months, so we know that library card use is widespread. The issues that we have here is that, because so much of our funding comes from the municipality—over 96%—we have to offer non-resident fees for patrons who live outside of Dryden because so much of our funding is coming from municipal tax revenue. So that is a barrier for many people, although our library does now offer free library cards to all K-to-12 students, whether they are non-residents or not, to encourage lifelong library use and literacy.

Mr. Jeremy Roberts: That's good. Thank you.

The Chair (Mr. Stephen Crawford): We'll now move to the opposition side. You've got four minutes of questions. Mr. Arthur.

Mr. Ian Arthur: Thank you so much for your presentation. It was lovely to hear it. A huge amount of my childhood and my education came from the Kingston Public Library. They actually put a cap on how many books I was allowed to take out; that's one point.

Ms. Sandy Shaw: But were you the mascot?

Mr. Ian Arthur: I was not the mascot. I cannot take credit for that.

You spoke a bit about the ROI and the dollars invested in libraries and how they come out. Would you just expand a bit on how far you make those dollars stretch? You said that you're very good at making them go a long way—just the level of funding that you do get, and what you are able to do with that.

Ms. Dayna DeBenedet: Absolutely. A great example in our library is that, for many years, our programming budget was only around \$3,000, but with that \$3,000, we provided almost 250 programs to the community. Sometimes we have help from local partners and service clubs, but our library is Dryden's recycling depot. We take your jars and your Kleenex boxes and we turn them into crafts with children. We reuse a lot things. We partner with other local organizations to try to stretch that money as far as we can. So we reach a lot of people with a very small budget, in that sense.

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Mr. Ian Arthur: With the broadband connectivity, do you know how many people access that?

Ms. Dayna DeBenedet: In 2017, we had over 6,000 connections on just our public access computers. That's not counting people who are coming into the library with their own devices to access our WiFi services. Unfortunately, because of the age of our network, we're not able to capture those statistics. It is something that's in need of upgrade.

We're also lucky to partner with Shaw, who offer free WiFi services in our library. So the telecommunications company offers free WiFi within the Dryden Public Library; they have a hub.

The Chair (Mr. Stephen Crawford): Ms. Shaw.

Ms. Sandy Shaw: It's nice to be here.

You talked about the social return on investment and you talked about the people who use the library. Do you have any evidence that, as times get tough for people, where people don't have broadband or Internet in their homes, that they're downloading books, or even the fact that maybe they're seniors who are facing social isolation—could you describe the library in some way as providing a social service?

Ms. Dayna DeBenedet: Absolutely. Libraries are at the forefront of many social services in Ontario. The people you have been hearing from today who are talking about mental health crises or addiction issues are our patrons. We are on the front line of those services, as well. We interact with patrons every day who are in crisis and who are coming to the library, sometimes looking for a referral to other social services in the community.

The Chair (Mr. Stephen Crawford): One minute.

Ms. Dayna DeBenedet: We know that there are many libraries in Ontario that now employ social workers in their libraries to help make those connections.

Also, studies all over the world, and in Ontario for sure, have shown that in times of recession, when unemployment is higher, library use increases. Library use has been

increasing in Ontario for several years. In 2017—because we don't have our 2018 statistics yet—over 155 million people accessed public libraries in Ontario. For the year prior, I think the statistic was around 130 million. So we know that visits are increasing. Demand for our service goes up every year.

Ms. Sandy Shaw: I just want to say that's a fantastic answer. That's a lot of great information. Thank you very much for that.

Ms. Dayna DeBenedet: Thank you.

Ms. Sandy Shaw: My follow-up to that would be, we have a government that has announced they're looking for 4% in efficiencies or cuts to the overall budget. We're going to be hearing shortly from the city of Kenora. There's a budget squeeze for municipalities. Can you talk a little bit about the impact—

The Chair (Mr. Stephen Crawford): I'm afraid I'll have to cut you off, Ms. Shaw. I'm sorry. We've reached our limit of time.

Thank you very much. We appreciate it.

CITY OF KENORA

The Chair (Mr. Stephen Crawford): We'll move to our next witnesses, from the city of Kenora.

Good morning. Please state your names for the record, and then you can get right into your presentation. You'll have seven minutes, and I'll give you a one-minute warning.

Ms. Kirsi Ralko: I'm Kirsi Ralko. I'm a city councillor with Kenora.

Mr. Adam Smith: My name is Adam Smith. I'm the special projects and research officer for the city.

Mr. Chris Van Wallegghem: Chris Van Wallegghem, city councillor, Kenora.

With only 15 minutes to present, we will not waste valuable time on our credentials, except to introduce the folks, which we've already done.

On behalf of the city of Kenora, we're thankful for this opportunity to share some of our ideas around ways to cut red tape, improve government services and save taxpayers money.

The theme of the 2019 Ontario budget directly aligns with corporate initiatives we've been pursuing to ensure that we deliver on our mission to be a municipality that delivers quality, cost-effective services.

In early 2018, we completed an investment readiness assessment to further entrench an "open for business" culture and facilitate development through the elimination of red tape. Since that time, we've made significant progress in realizing the goals of this project by making changes to our site plan policy and the creation of Team Kenora to quickly mobilize on development proposals at the earliest point of time.

At this time I'll pass it over to Councillor Ralko.

Ms. Kirsi Ralko: Thank you. Good morning, committee members. I'd like to present you with an overview of the four main submissions covered in our written submissions that you have before you, and then I'll turn it over to

Adam, who can field any questions or provide any additional details you might want.

I would note that all of our four main topics are joined by one major tenet, which is the need to develop housing of all types in our region.

As all of you are aware, new municipal governments have just been sworn in at the end of 2018, and although that means that many of us are still developing our mandates, it also means that we are fresh from spending the better part of 2018 on the campaign trail. And on a day like today, I would note that when I say “the better part of 2018,” I mean that literally and figuratively, as it is not minus 35 degrees from June to October.

A concern that we heard loudly and repeatedly from our constituents on the campaign trail was regarding the lack of available housing across the entire socio-economic spectrum in northern Ontario. Kenora faces a particularly challenging set of circumstances in this regard. Those of you who represent ridings near Toronto will appreciate an analogy that was coined by my older brother, who calls Kenora “the Muskokas of Winnipeg.” Although that means our location is certainly a beautiful place to call home or to visit, especially in the peak summertime months, it also creates a unique set of challenges. Our official population of 15,000 more than doubles during our peak season, and our relative isolation from the rest of Ontario means that Winnipeg, Manitoba, is actually our closest major centre. In the context of developing housing, this means that bringing in contractors and developers can be prohibitively expensive and rife with jurisdictional issues.

Furthermore, despite its small size relative to the province as a whole, Kenora is actually the largest city in what is geographically one of Canada’s biggest ridings. We are a hub for the area’s judicial system and for access to medical care.

Leading into the four topics in our written submissions, the first is a submission on revising the environmental compliance approval process. This is a topic that Adam has been working extensively on, so I will leave the details of this to him, but our main issue here is regarding the timelines and uncertainty surrounding them.

To borrow directly from our submissions, often the only way to improve a service is through additional resources, and we believe that the Ontario government can support our city government in this effort through tax reform, which is our second submission: provincial land tax reform. To borrow again from the written submissions, there are vast tracts of land in Ontario, primarily here in northern Ontario, that are defined as unorganized and therefore have no municipal representation. These properties pay only a negligible amount of provincial land tax in lieu of municipal property tax, and with those tax rates representing only a small portion of the actual costs incurred by the province and the neighbouring municipalities that provide services. To provide a local example, in 2017, those living in Kenora were charged municipal taxes of \$1,255 per \$100,000 of assessed property value, while those living in adjacent unorganized townships, such as

Minaki and Redditt, paid only \$40 on the same \$100,000 of assessed value.

Our submission is for provincial land taxes to mirror those of the closest municipality, with any revenues net of the province’s costs to provide services being allocated to the municipality. This would ensure that those dependent on using our public services are paying their fair share to both the province and the municipal governments.

Our third submission is in regard to the province providing a potential community improvement plan top-up. The city of Kenora maintains three community improvement plans in which a number of grants are dedicated to support capital costs for housing development. A top-up to these programs by the province is an opportunity to improve services and facilitate housing development by matching our municipal contributions. Among other benefits, this would provide the necessary financial tipping point for new housing to become financially viable in northern Ontario.

Our last submission is addressing the shortfall in supportive housing that we’re currently experiencing. Again, I’ll borrow directly from our written submissions to point out that Kenora’s homeless population is roughly the same as the city of Peterborough’s, with about 220 homeless living in our community; however, Peterborough has approximately five times Kenora’s total population.

The Chair (Mr. Stephen Crawford): One minute.

Ms. Kirsi Ralko: Despite this, Peterborough received \$3.4 million through the Community Homelessness Prevention Initiative, while Kenora received only \$1.9 million.

Personally, when I’m not acting in my capacity as a city councillor, I am a full-time, practising lawyer in Kenora, and I can tell you first-hand that a big part of our struggle managing homelessness and our transient residents is directly related to our role as a hub for the provincial court system.

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To close out this section, I’ll leave you with Adam’s statistic that 43% of our net program costs for the city of Kenora are currently dedicated to transfers to agencies that provide social services in the community. The provision of housing can have a major impact on these expenditures by lessening the burden on agencies such as policing and health care.

Finally, housing is a universal right that should not be withheld due to jurisdictional boundaries and flaws in program design.

With that, I’ll turn you over to Adam if there are any questions or for further details.

The Chair (Mr. Stephen Crawford): Actually, we’ve reached our seven-minute time, so maybe we can now have some questions. We’ll start with the opposition side. Ms. Shaw?

Ms. Sandy Shaw: Thank you very much. I’m glad to see everyone here today. I’m enjoying the cold weather. Donna has told me it’s a wonderful place to be. I think this might be the best of the year as well.

I want to focus on your community improvement plan, specifically. You’re talking about looking for provincial

resources to top up some of your existing development programs. Can you just tell me a little bit more about that? I guess specifically, are there other examples of places where the provinces have done that, supported these kinds of local housing initiatives, development initiatives?

Mr. Adam Smith: Yes, certainly I can speak a little bit to it. I know it's a bit of a novel idea, something that we've just identified a little while ago, knowing that the fiscal position of Ontario is quite difficult. We see an opportunity to leverage municipal dollars or reallocate them to current grant programs and to really leverage those dollars to address the main issue when it comes to housing development, at least in Kenora and across the north, in which it's really an extension of municipal servicing to a lot of these areas. Often what we encounter when we're working with developers is the fact that there really isn't that financial tipping point where a project could be viable in the north based on the current programs that we have in place. For instance, the Harbourtown CIP offers about \$4,000, I think, per residential unit being converted from a commercial use, which is really, in the grand scheme of things, more of a drop in the bucket. From what we've heard, at least, it's not something that can really put a project forward. So what we were hoping to do is further leverage provincial dollars, similar to how other programs operate—the one third, one third funding—and hopefully be able to address a lot of the gaps that we do see in the area, whether it's affordable or market-based housing. We see in those project areas an opportunity to really make a big impact.

Ms. Sandy Shaw: Thank you. Beyond this consultation, have you had any conversations with anybody in the ministry? I know that if you look nationally, we do not have a housing strategy. Provincially we don't have currently a housing strategy. Have you had any opportunities to have discussions with ministry staff or any other people in the government about this proposal?

Mr. Adam Smith: We do actually intend on submitting it as part of the housing consultation currently under way through the Ontario government. However, this is definitely an idea we just formulated over the last couple of months.

Ms. Sandy Shaw: Thanks. And I wanted to ask a little bit about provincial land tax reform. I know we talked a lot about the fiscal situation of the province. In fact, it is a fact that the province of Ontario has the second-lowest revenue per capita, so they're scrambling for revenue as well. It's not primarily a spending problem; there are two sides to that equation.

My question is: How do you think that the government would receive your proposal that the additional monies that you collect on a revised land tax rate would go to the municipality?

Mr. Adam Smith: I think this has definitely been an issue that we've brought forward in the past and certainly one that has been difficult to facilitate. However, I think really it's just about bringing more equity in terms of the tax system. We know that a lot of adjoining municipalities, whether it be Minaki or Redditt in and around Kenora,

come into Kenora to use our services, whether it be roads, water or waste water. We just want to better align the tax systems between the two different areas.

Ms. Sandy Shaw: Thank you.

The Chair (Mr. Stephen Crawford): Mr. Arthur, there are about 25 seconds.

Mr. Ian Arthur: Just quickly on the same provincial land tax: These unorganized areas are often quite depressed. How do you think they can sustain the increase in taxes? Who owns the land? Are they First Nations or are they large corporations? Are they the forestry companies?

Mr. Adam Smith: The majority of those towns are operating on crown lands. It's difficult to gauge in terms of the actual fiscal impact on a lot of these individuals. However, we do know that in the majority of them, there's really no industry within those townships. Where the industry lies is within the city of Kenora or a neighbouring municipality to those areas. If you look at, say, places like Minaki or Redditt, it's probably about a half-hour drive from Kenora, so they often will commute into town.

The Chair (Mr. Stephen Crawford): Okay, thank you. We have to move on now to the government side for questioning, Mr. Downey?

Mr. Doug Downey: I'll stay on the same topic. Before I was elected, I was a real estate specialist, a lawyer, as well, so I bought and sold and dealt with a lot of the unorganized townships in this area as well. Educate me if I'm wrong, but my experience is that a lot of those properties are recreational, or it's timber or something like that. Is that accurate?

Mr. Adam Smith: No. There's quite a few, I think, that are—and I'm still relatively new, I'd say. I've only been in the area for approximately three years. There are a number of permanent residents who still live in those areas.

Our proposal is not suggesting that they should be perfectly paying the same amount that the municipal ratepayers should be paying. However, I think that the current rate, say, per \$100,000 of assessed value being at \$40 is really not commensurate with the services they often depend upon.

Mr. Doug Downey: Okay. My second question has to do with the downtown. Minister Rickford announced \$1 million for the fourth phase. Can you talk a little bit about the downtown, and maybe some challenges and ways that we can help there?

Mr. Adam Smith: The phase 4 downtown revitalization project is certainly very exciting, and we're very much thankful to the Ontario government for that contribution. Certainly, I think that what has been missing in terms of revitalization efforts is often the housing aspect. What we are starting to see, and what a lot of communities across the north are starting to identify, is that it's now affecting how labour development occurs. When we look at new commercial development opportunities within the municipality, often the barrier to gaining meaningful employment in these areas is housing. They're just not [inaudible] quite a bit for jobs that often may be paying entry-level salaries in the service sector—and we

do have a service sector working group in town, where we're working to try to address that issue with different employers, trying to see if there are partnership opportunities. Perhaps that's the model we do follow, where a private-public partnership model for a housing development is the way forward.

We do have some exciting opportunities in the future to try to get some projects moving forward, but certainly I think the housing aspect of our DTR efforts needs to be addressed.

Mr. Doug Downey: You were giving your presentation, and I think there was a piece that you didn't get to. Is there anything else you'd like to say?

Mr. Adam Smith: Yes, I can probably just provide a little bit more information on our proposal for ECA reform. What we've experienced—and it came out of a specific housing development project a number of months ago, where the hang-up was a 20-metre extension from our municipal lines to a private development. It was enough to trigger an ECA process, and the service standard for that process is about a year. That's very much out of line with what we have as a municipality, where a lot of your permits or licences are going to come in about a three-month timeline.

What we're proposing is that waste water and storm sewers be treated the same way that water servicing is, where it's simply a form 1 process. You still get a certified municipal engineer to sign off on it. They do documentation, where the two-page document is available for auditing purposes. However, it's not the 16-page, very onerous application that you'd have to do for an ECA, where the focus for that process is much more on projects that have higher environmental risks and are industrial in nature.

Mr. Doug Downey: Thank you.

The Chair (Mr. Stephen Crawford): There's about 30 seconds left, if you have any further questions. No? Okay.

Thank you very much. We appreciate your testimony.

Mr. Adam Smith: Thank you.

RESOLUTE FOREST PRODUCTS

The Chair (Mr. Stephen Crawford): I would now like to call up our next witness, which is Resolute Forest Products. Good morning, and welcome to our committee. If you could just state your names for the record, then you can get right into your seven-minute presentation. I'll give you a one-minute warning.

Mr. Tom Ratz: I'm Tom Ratz. I'm the forestry manager for Resolute.

Mr. Robert Halverson: I'm Robert Halverson. I'm the manager of Resolute Ignace.

Mr. Tom Ratz: I'd like to thank you for the time to meet today. Your government's commitment to Ontario being open for business is clear. We were appreciative of Premier Ford and Minister Yurek coming to visit us in Thunder Bay in October to recognize Resolute's investment in 2018 of more than \$53 million. That brings

Resolute's investment in Ontario in the last several years to around one quarter of a billion dollars.

Resolute is a major contributor in the northwestern Ontario economy. We have a regional impact of around \$470 million a year. We employ just a little over 900 direct jobs and 3,000 indirect jobs.

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We are by far the largest forest products company operating in the province. We have a pulp and paper mill, three sawmills, a wood pellet plant and we also produce around 600,000 megawatts of power a year, all from renewable biomass.

Also noteworthy in 2019 is a joint effort with FPInnovations. We're investing \$21 million in our pulp mill, looking at producing and commercializing biochemicals derived from wood. We are also very proud in northwestern Ontario of our relationship with First Nations. In 2018, we had contracts in excess of \$58 million with First Nations.

We are pleased with this government's announcement of a forest-specific strategy and consultations with leaders, the business community and forestry practitioners. We also applaud this government's commitment to a red tape reduction initiative and the opportunity that our sector has been given to provide recommendations in this regard.

For our company to be successful, we need the following three key ingredients: a competitive business environment, access to markets and a predictable supply of wood fibre to sustain our mills. For my comments today, I will be focusing on these three areas.

First, we need a competitive business environment to conduct our operations. We have three recommendations regarding economic development and business competitiveness. Ontario's industrial sectors have worked for more than a decade with Ontario's power regulators to address the province's competitive disadvantage. We are in fact surrounded by more competitive jurisdictions, which are vying for, and out-competing Ontario for, manufacturing investment. We participate in several provincial energy conservation programs. These programs are critically important to industrial development and employment in the north. Rolling back critically important programs would double our energy costs vis-à-vis our competitors and result in a flight of capital to more competitive jurisdictions in Canada and the US.

We therefore recommend that Ontario preserve and enhance these key energy programs:

- the Northern Industrial Electricity Rate (NIER) Program;
- the Demand Response Program;
- the industrial conservation initiative; and
- the industrial electricity initiative.

Secondly, wood fibre, like energy, is one of the highest-cost inputs in the manufacturing of forest products, especially in Ontario. Roads are a key contributor to the cost. Forest access roads are a public asset utilized by many industries: the forest industry, mining industry, tourism and recreation, for example. The Whitesand First Nation and Red Rock Indian Band have been able to

restart their forestry businesses with the support of the provincial roads program. This would clearly not have been possible, and many jobs and businesses would disappear, without the injection of these public funds.

Our recommendation is the continuance of the vital provincial forest access program at \$74 million per year.

Third, the currently proposed standard for sulphur dioxide is much lower than in any other jurisdiction in North America. The Canadian Ambient Air Quality Standards identify northern Ontario as a zone that requires no further management action for sulphur dioxide due to its good air quality at the community level.

We recommend that the northern Ontario standard target for sulphur dioxide not be changed.

The forest sector is an export-driven sector. We need access to markets on a fair and competitive basis. The NAFTA negotiations did not resolve the softwood-lumber dispute. Resolute continues to pay countervailing duties and anti-dumping duties to export to the United States. Resolute, in fact, has over \$100 million in duty deposits now sitting in Washington. Ontario should be excluded from any export restrictions. A binational panel in 2006 determined that Ontario is virtually free of subsidies. Ontario, like Quebec, should insist on free market access. Canada must not give away its markets.

We have three recommendations in this regard:

(1) Ontario, like Quebec, should implement a loan guarantee program;

(2) Continue to make available all necessary resources to vigorously defend Ontario and its forest sector against unfair trade actions from the United States;

(3) We must ensure adequate access to the US market for Ontario's current lumber capacity, at 1.5 billion board feet per year.

All the products that we make originate from renewable resources. The wood that originates from these carefully managed forests is recognized as the best in the world. We need reliable and affordable access to raw materials. Unfortunately, wood supply reductions that will put some of our mills at risk have been predicted. Part of the prediction is due to Ontario's Endangered Species Act, a piece of legislation that was very much influenced by eco-activists. The forest industry in Ontario already operates under the Crown Forest Sustainability Act. We request that the CFSA be given equivalency with the ESA, and we also request that the section 55 ESA exemption be extended and made permanent.

Lastly, I'd like to speak about cap-and-trade. Resolute is concerned about recent changes in the regulatory regimes. Corporate-wide, Resolute has reduced the greenhouse gas emissions by 76% since the year 2000. Resolute has received multiple recognition awards.

We are pleased with the recent announcement of the province's made-in-Ontario plan, and it is important that it is viewed as meeting the federal guidelines so we don't have two separate regulatory regimes.

To conclude, Resolute has made a strong commitment to Ontario. We have invested close to a quarter of a billion dollars in recent years. We employ close to 4,000 Ontario

citizens in direct and indirect jobs. We remain committed to working constructively with your government, and we believe in a shared prosperity.

Thank you again for your time.

The Chair (Mr. Stephen Crawford): Thank you very much. We're now open for questions from the government side. I'll start with Mr. Downey.

Mr. Doug Downey: It's not so much a question as a comment, that we've started consultations on the Endangered Species Act. We're committed to protecting those at risk, but there is an open consultation, so I just wanted to bring that to your attention—to make a submission through that process as well.

Mr. Tom Ratz: We are aware of that, and there's actually a Skype call tomorrow at 10 o'clock on the first one.

The Chair (Mr. Stephen Crawford): Mr. Cho?

Mr. Stan Cho: Thank you, gentlemen, for your presentation. You spoke a little bit about other jurisdictions. I'm wondering if you could talk about some of the other areas around our country or around the world that have reduced regulatory burdens on your sector, and maybe some examples for Ontario to follow.

Mr. Tom Ratz: Well, one of the big ones is electricity. If we had the same price for electricity as our neighbour to the west, Manitoba, we'd be able to compete a lot better. We probably have some of the most strict environmental regulations in the world. We're looked at as a province that has a very strong regulatory system in place. It's good, but there's a lot of red tape that's involved in it now. We could save a lot of money if some of that red tape were cut.

Mr. Stan Cho: Thank you.

The Chair (Mr. Stephen Crawford): Mr. Downey.

Mr. Doug Downey: You spoke of working with Indigenous communities and reducing red tape. Is there anything in particular that would actually increase engagement with Indigenous communities—a piece of red tape or some process that's currently getting in the way of that?

Mr. Tom Ratz: There is a lot, and we've been happy that we've been able to submit through our industry association. We are looking at submitting basically hundreds of examples of red tape, so I'm not sure if there's any real specific ones, but there is a lot of red tape that would save us money so that we'd be able to continue supporting First Nation communities.

Mr. Doug Downey: Okay. Thank you. I'll look for that submission when it comes here.

The Chair (Mr. Stephen Crawford): Minister Rickford.

Hon. Greg Rickford: Welcome to our friends from Resolute, who have a prominent place in our region, from Thunder Bay northwest. Your relationships with Indigenous communities and the likes are appreciated, and your contributions to our economy.

Mr. Chair, I just want to welcome everybody here, obviously being the most proximal person to the north. Historically, in my capacity as a minister federally there was never an opportunity to actually participate in a standing committee, so I've elected to just, maybe, by a

convention of my own, let the standing committee do their work. They've attracted a robust group of people from the entire region. In fairness, as much as I'd like to think it's all about Kenora–Rainy River, it isn't. We have a golden opportunity for many of Sol's communities, hopefully, to make representations.

I'm actually not going to ask any questions. We work very, very closely with many if not most of the people that are presenting here today—

The Chair (Mr. Stephen Crawford): One minute.

Hon. Greg Rickford:—so it's a great opportunity just to be here today and participate for a few hours. Truly, welcome to all my colleagues, and Ian and Sandy. Thank you for coming up here and being part of our community and thank you for bringing a little warmer weather.

Ms. Sandy Shaw: Thanks for the warm welcome.

The Chair (Mr. Stephen Crawford): Thank you for your welcome. Ms. Skelly. We have about 30 seconds.

Ms. Donna Skelly: In 30 seconds, are soaring hydro rates the number one barrier to a competitive environment for your industry?

Mr. Tom Ratz: It is one of them.

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Ms. Donna Skelly: And the others? You've got 12 seconds.

Mr. Robert Halverson: Roads funding.

Mr. Tom Ratz: Roads funding is big.

Ms. Donna Skelly: Roads funding.

Mr. Tom Ratz: Our portion of it in 2018 would have been \$10 million. So if we were to cut \$10 million from our roads funding, it would be very difficult for us.

Ms. Donna Skelly: Go ahead.

Hon. Greg Rickford: Are we out of time here?

The Chair (Mr. Stephen Crawford): Yes.

Hon. Greg Rickford: Colleagues, I want to reiterate for you that there was a time when one of the forestry mills in Kenora was shut down for almost five years. It was owned by a family who had an asset in Manitoba. That asset in Manitoba ran while the other one in Kenora was shut down. That is the difference. Resolute didn't come into play on that, but that is the difference on an affordable electricity rate.

The Chair (Mr. Stephen Crawford): Thank you.

Okay, let's move to the opposition side. We have four minutes. Mr. Mamakwa?

Mr. Sol Mamakwa: Just a quick question: There's a recommendation that you make with respect to the provincial forest access roads. Would you be able to elaborate, perhaps, on some of the groups that use the roads that are important to the northern economy?

Mr. Tom Ratz: For Resolute, the roads funding is flow-through for us. It doesn't stay with Resolute. Yes, it helps us reduce our cost of fibre, but it flows through to the person who operates the backhoe, and it flows through to the person who owns the grader. It has made it so that First Nations communities like Saugeen First Nation, north of here, have been able to start up work. It has made it so that Whitesands, north of Armstrong, has actually started to grow their forestry business. Our First Nations

communities without the forest access program would not be starting up their businesses.

It has also provided access for all the other businesses and industries like mining and tourism, and for people to hunt and fish in the north. It has multiple benefits.

Mr. Sol Mamakwa: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Mr. Arthur.

Mr. Ian Arthur: Thank you very much for your presentation.

I just wondered if you would spend a couple of minutes here talking about the value, or the importance, of the Northern Industrial Electricity Rate Program—you spoke about high hydro prices being an obstacle—and what role that program specifically plays in making you competitive.

Mr. Tom Ratz: Do you want to touch on that one?

Mr. Robert Halverson: No, you go ahead.

Mr. Tom Ratz: Without that program, we are at a complete disadvantage. The minister spoke of it. That's why a company would be running in Manitoba and we would be shut down in Ontario. Our hydro rates are extremely high in northern Ontario in comparison to our friends right across the border in the US, and for us in northern Ontario in comparison to Manitoba. Without those programs, we would be at a competitive disadvantage. I don't know whether we would be able to stay running.

Mr. Robert Halverson: I was part of the family group that the minister mentioned in the start-up in Kenora during that time. It was a major factor in to start or not to start.

Mr. Ian Arthur: Thank you, Chair.

The Chair (Mr. Stephen Crawford): Ms. Shaw.

Ms. Sandy Shaw: You said in your statement that you participate in several provincial energy conservation programs. Can you talk a little bit about what those are?

Mr. Tom Ratz: Those are the ones that I listed. There was the energy conservation program—sorry; I've got to flip to it. I'm a forester. There's the demand-response program. With the demand-response program, if Toronto is in the middle of summer and it's a heat wave, and we can run more of our facility at full capacity in the evening as opposed to during the day, there's a rate reduction for us to do that.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Tom Ratz: So, when everybody has got their air conditioners on, we can change how that moves ahead.

There are programs like that that help us and keep our costs lower in terms of electricity and running our mills.

Ms. Sandy Shaw: I have a question; it's a little awkward. But how do you address critics who say that what you are calling "red tape" are regulations that ensure that we prevent deforestation, protect our environment and protect our water? How do you deal with criticisms of that nature?

Mr. Tom Ratz: First of all, in the forest industry, there is no deforestation. Deforestation is the Walmart parking lot. We renew the forest. There is no deforestation by the forest industry, just to be clear.

Red tape: It's even simple things like when we apply for a land use permit. The last one we applied for took over

120 days for us to get. In the past, it used to take 30 days to get. It's just that the added bureaucracy we're facing is costing us money in order to keep our business running. That's just a quick, easy example.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We've run out of time, but we really appreciate your testimony.

THUNDER BAY AND DISTRICT INJURED WORKERS SUPPORT GROUP

The Chair (Mr. Stephen Crawford): Our next witness is via teleconference, and it's the Thunder Bay and District Injured Workers Support Group.

Mr. Steve Mantis: Hello.

The Chair (Mr. Stephen Crawford): Hello. It's Chair Stephen Crawford of the finance committee. We're here. We can hear you. Welcome. You'll have seven minutes to present. If you could just state your name for the record and you can get right into your presentation. Then we'll go to questions after, with four minutes from each side.

Mr. Steve Mantis: Thank you so much. My name is Steve Mantis, and I'm the treasurer of the Thunder Bay and District Injured Workers Support Group. Thank you so much for the opportunity for me to present today.

A little bit about the Thunder Bay and District Injured Workers Support Group: We started in 1984 in Thunder Bay. We have three main goals. One is to provide information and support to injured workers and their families. The second is to be involved in systemic issues around law and policy around workers' compensation and occupational health and safety. And the third is to really increase awareness of the issues faced by injured and disabled workers in Ontario.

A little bit of the scope: There's a recent report by Stats Canada put out at the end of November last year that found that in Canada there are 6.2 million adults who have a disability, and 25% of those are work-related. So we're looking at over 1.5 million workers who end up with a permanent disability because of injury or disease in their workplace.

Another recent report out just two weeks ago found that the number of fatalities caused by work may actually be underestimating in the range of six to 10 times. That's mostly through occupational disease, transportation and even suicide, as we're hearing more and more about mental health problems within workplaces.

My main focus today that I want to really focus on is on the two issues of income inequality—that the gap between rich and poor has been growing steadily over the last 30, 40 years in Ontario, and really the impact that has on us as a society and our democracy. That income inequality is fuelled in part by our taxation system. We have seen major changes in how our taxation system works in both Ontario and Canada. Back 60 years ago, we saw that corporations and citizens paid kind of an equal amount in terms of funding for our governments. That has changed so that presently citizens pay \$3.50 for every one dollar that is paid by corporations.

In terms of its effect on our society, what we see—and this is based on research from all around the world—is that those societies that have less of a gap in terms of the rich and poor have much better health outcomes. Of course, what we see in our provincial budget is that our health care costs are the largest part of our provincial budget. So if we're doing things that are making our health care costs go up, we are really creating greater costs for all of us in society. It also leads to that feeling that individuals have less and less say in society.

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A little bit about my own situation: I lost my arm in an industrial accident 40 years ago, in 1978, working construction. I looked around and said, "Who's going to hire a one-armed carpenter?" No one was coming forward, and I started a small construction business. I was a small business person for the next 10 years, and then I got recruited by the Ontario March of Dimes. I've become an advocate with our local injured workers group for better services for injured and disabled workers. I ended up being offered a job as the manager of employment services for the Ontario March of Dimes in Thunder Bay, which is focusing on helping people with physical disabilities, primarily.

During that time, I also got appointed to the Workers' Compensation Board board of directors from 1991 to 1994. I moved into a position providing information and support across the country with the Canadian Injured Workers Alliance, and in the last 20 years or so, I've been working in the area of research, trying to bring academics into our field to try to understand what really happens to workers once they become disabled from a serious injury.

Over those last 40-odd years, I've seen big changes in terms of how both our workers' compensation system and our society have changed. In those years, we've seen the focus of workers' compensation to be compensation for workers who have become disabled on the job. That is almost gone now from the purpose of the Workers' Compensation Board. Of course, the name has been changed to the WSIB, the Workplace Safety and Insurance Board. Now it really looks like it has become cheap insurance for corporations.

When we look at 2010 to 2017, we've seen that the focus has been on increasing the amount of money in the WSIB's reserve fund. In 2010, that number was \$16.8 billion. By 2017, that number has grown to \$35.7 billion. That's more than doubled the amount that's put aside into the reserve fund.

Now, what's happened to injured workers' benefits during that same time? In 2010, the global amount received by workers for their injuries was \$4.8 billion. By 2017, that has been reduced to \$2.3 billion. We're seeing that that cut has really been a hit to workers who are disabled in their workplace. The research that we have done shows that nearly 50% of those workers end up living in poverty or near-poverty; that 58% have long-term reduced earnings; that a large portion of people end up losing their homes, their families—

The Chair (Mr. Stephen Crawford): Thank you, Mr. Mantis. Can you hear me? It's Chair Crawford.

Mr. Steve Mantis: Yes, I can.

The Chair (Mr. Stephen Crawford): You've reached your time limit. We're going to start the questions now. Thank you.

Mr. Steve Mantis: Thank you so much.

The Chair (Mr. Stephen Crawford): We'll start with the opposition side for questions. Ms. Shaw.

Ms. Sandy Shaw: Hello, Mr. Mantis. I'm Sandy Shaw. I'm the MPP for Hamilton West–Ancaster–Dundas. We have four minutes. Would you like to just take a bit of time to finish your presentation?

Mr. Steve Mantis: Sure. The other pieces that I see as that big picture: Our governments have decided that the businesses, the corporations, are more important than the citizens. We've seen that in terms of how taxation has worked. We've seen the rights of workers diminished. We've seen the relationship between employers and workers also undervalued. We're seeing a major increase in precarious work, where workers are no longer seen as a long-time asset. They're now seen as a liability such that we have to limit how much we expose ourselves in terms of what workers might cost. The research at the WSIB found that employers are seen as revenue and a good thing; workers are seen as an expense and a bad thing.

I think that whole attitude—we need leadership in the government to say, “No, wait, wait, wait. At least we're equals. At least citizens in our country should be equal to the corporations who are really using the people to make a profit.” Those profits have gone up and up and up. We've seen substantial profits in our corporations in Canada. I think we really need to make a change.

When we look at how policy is oftentimes made, we see that it's so often done in silos. In workers' compensation, we've seen this big change in terms of the benefits paid to injured workers. Those costs don't go away; they end up, oftentimes, on the provincial costs, both in terms of health care costs and social assistance. We're just playing around with the money and people's lives are suffering as a result.

I should probably end there, but thank you so much.

Ms. Sandy Shaw: Thank you very much for completing that. I guess very briefly—I think it's not necessary to do ancient history—the fact that workers gave up the right to sue when they were injured for this form of compensation is something that people have forgotten, so this is really their only recourse in the workplace if they're injured or killed in the workplace. I think it's important to know that this was what workers' compensation was originally intended to be. That's number one, a reminder of that.

The second thing is, with the recent changes to WSIB, particularly around—you mentioned—the unfunded liability being reduced, is it the case that that's been reduced on the back of not approving claims, particularly in the area of mental health and PTSD?

Mr. Steve Mantis: And here we've got the Legislature saying that mental health—

The Chair (Mr. Stephen Crawford): One minute.

Mr. Steve Mantis:—claims can now be allowed, and an internal audit by the WSIB found that 94% of the claims

for chronic mental illness have been denied in the first year of that legislation being passed.

Ms. Sandy Shaw: Wow.

Mr. Steve Mantis: It's really shameful what's happening there.

Ms. Sandy Shaw: Okay. How much time do we have, Chair?

The Chair (Mr. Stephen Crawford): Forty seconds.

Ms. Sandy Shaw: Do you know what, Mr. Mantis? Can you also talk a little bit about how the cut to the contributions as well will reduce supports that go to workers, who, as you say, end up homeless? Literally, I've met with people in Hamilton who have lost their homes because they can't find work and the bills continue. The recent cuts to the contributions, how that will impact—we're not just talking about workers; we're talking about hard-working Ontarians who go to work and expect supports to be there and when they go to find the supports to which they have paid, they're not there for them.

The Chair (Mr. Stephen Crawford): I'm afraid—

Ms. Sandy Shaw: Sorry. Mr. Mantis, I ended up taking your time, so thank you.

The Chair (Mr. Stephen Crawford): But we do have more questions now from the government side. We'll start with Mr. Downey.

Mr. Doug Downey: I was scribbling down the stats that you were talking about in terms of the reserve funding and the payouts, the \$4.8 billion and the \$2.3 billion. Do you have stats on the initial claims and then the number of claims that were accepted as claims?

Mr. Steve Mantis: It's really interesting. What we've seen is that the rate of rejection of claims not being allowed traditionally was somewhere around 7% or 8%, and I go back from my time on the Workers' Compensation Board. Now we're looking at approximately 30% of the claims that are filed are not accepted. So we're in the range of over 200,000 claims, I think, now, that are submitted and I think we're down to somewhere around 125,000 accepted, something like that. I don't have the numbers in front of me exactly.

Mr. Doug Downey: But just a sense of magnitude—you're going from memory, obviously. That's current number of claims and accepted claims. Do you know if the number of claims has increased, decreased, or stayed the same over your experience?

Mr. Steve Mantis: Yes. The number of claims has decreased substantially—more than a 50% decrease in the claims being put in since 1990. Back then, we had about 500,000 claims a year. It's interesting as well that the relationship between a non-loss-time and a loss-time claim has shifted as well. It used to be pretty much a 50-50 split but through a number of regulations and policy changes, fewer claims are required to be reported and it seems like it is now just the more serious claims that oftentimes get reported.

What we hear too is that the system has become so difficult to navigate—and even once you're in it, it can be so debilitating to individuals—that many people choose not to file a claim at all. In fact, in many unions, the unions

advise their members not to claim WSIB and go on sick-ness and accident because it's a much easier system to navigate.

1050

Mr. Doug Downey: I'm currently working with auto insurance and their process, so I'm curious about your take on any ways that we can improve the process in terms of making the claim, receiving the support and how it interacts with the claimant.

Mr. Steve Mantis: I can tell you about my neighbour just down the road here from me, who was hurt in 1985. He was hurt in the bush. A tree whacked him in the leg.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Steve Mantis: He ended up having two knee replacements. He has had 15 surgeries on that one leg, and it has never healed. He has had to live with chronic pain for his whole life.

His knee gave out on him, and the knee joint broke in November. He is still not receiving any support at all from the WSIB, because they're saying, "Oh, well, maybe it's a pre-existing condition, or maybe it's just normal aging."

There's a concrete incident of a person who definitely was hurt at work, definitely has a long-term problem and is being ignored by the system.

Mr. Doug Downey: Thank you.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much for your time. We really appreciate it.

Mr. Steve Mantis: Thank you so much for allowing me the opportunity.

TOWN OF FORT FRANCES

The Chair (Mr. Stephen Crawford): I'd like to call up our next witness: the town of Fort Frances. Good morning.

Ms. June Caul: Good morning, everyone. Thank you for giving us the indulgence of being able to speak with you today. We really appreciate it.

The Chair (Mr. Stephen Crawford): Our pleasure. If you could please just state your names for the record?

Ms. June Caul: My name is June Caul. I'm the mayor of Fort Frances. With me is our CAO, Doug Brown.

The Chair (Mr. Stephen Crawford): Thank you. You'll have seven minutes.

Ms. June Caul: We'll tag-team a little bit here.

The main reason we came to Dryden today was to continue our insistence on making sure that Fort Frances can survive in the next little while. Our biggest problem for this last five years was the closure of the mill in Fort Frances. We've tried through many channels to get the mill sold and to help each company as much as we possibly can. Right now we do have another company that is very interested and has given us a very good business plan to try to get the mill bought by this company. This has happened a few times in the past five years, where we thought that the mill was going to be sold but there wasn't able to be an agreement with Resolute Forest Products to sell the mill, for reasons that they gave.

Our biggest concern is the fact that the former government of Ontario allowed Resolute Forest Products to use

the wood or the fibre that was designated for the Fort Frances mill at their other various mills, whether it was the Sapawe mill or the Thunder Bay mill as well. Our concern is that this is what's going to happen during negotiations again.

I appreciate seeing Mr. Rickford here today, because we spoke with him on Saturday at our general meeting. He certainly gave us some reassurances. But we can't continue to insist enough that we really need the government's support in making sure that the fibre from the Crossroute forest is designated by licence to still be designated for the Fort Frances mill. Resolute never tore down the mill. We understand that it's good in good working condition, with very few things that need to be fixed in it. We are hoping and hoping that, as Resolute and this Repap company start to do their business plan—and we know that it's a business deal between two companies. But as they do their business, we are counting on the provincial government to support us in making sure that we get the fibre designated back to Fort Frances equitably and fairly.

We realize that you are in a huge deficit. You're trying to get the budget lowered, as we do in our town as well. Without the mill being there, we are going to be in a deficit of \$766,000 just in taxes. If it's closed, we'll be lucky to get a third of that, I would say. It's a huge problem for us.

Counteracting all of that, as well, is that we're hoping that we have a new railway tax system going. A fellow councillor, in the past four years, Ken Perry from Fort Frances, has been instrumental in trying to lobby to get CN to pay tax based on the tons per mile of assets that they are hauling through our communities and dangerous things that they're hauling on their trains. So we're hoping to get that raised. That would help us out.

Also, we would really like to see the continuation of the Connecting Links funding. That has been lowered for us, as well. Fort Frances is a hub, and we have a great deal of Connecting Links roadway there, and we have not received the funding that we used to get for that. I'm sure all of you know what it costs to put in new sewer and water and roadways. Without that Connecting Links funding, we can't do it. So our assets—that we're trying to get an asset management plan working for that is falling behind because we haven't got the funds to make it better for our residents.

Also, the OMPF funding has been lowered for our municipalities over the last year or so. We're hoping that will continue to at least be at 2018 limits, even though it went down in 2018. We're hoping that can continue so that helps with our partnership with the government.

There are just a couple of other quick things that we wanted to mention today. First of all, we're really concerned with the integrity commissioner being started by March 1. We're worried that if that isn't carefully worded or carefully submitted, we are going to have a potential crisis for a lot of individuals and towns simply because of people who are out there wanting to cause trouble. We have one fellow in town who has threatened Mr. Brown. Frankly, he's a scary man. We worry about that kind of thing getting worse in our towns because of

the integrity commissioner and what that all involves for us with the residents.

The Chair (Mr. Stephen Crawford): One minute.

Ms. June Caul: I think I've pretty much covered everything that I wanted to cover.

I will gladly turn it over to Mr. Brown if he has a bit more to add.

Mr. Douglas Brown: There are two things. Sidewalk maintenance: minimum maintenance times for municipal highways. Having the sidewalks cleared within 48 hours once we get three inches of snow in northern Ontario is costly to our communities. We want to have restrictions so we don't go through the freeze-thaw cycle. As you know, not too many people walk on the sidewalks when it's 40 below. So there has to be some lenience when you develop these policies for northern Ontario, to have a larger timeline to clean sidewalks. We've got to get the roads done first. We get these huge storms.

The other one is asset management. All of us are in this together. We've got a huge problem in Ontario. We need stable funding to ensure—one of the things that has happened just recently: There was a Clean Water and Wastewater Fund; we all applied for it. They're supposed to be intake 2. They tell us that the federal government has the cash; it's held up at the provincial level.

The Chair (Mr. Stephen Crawford): We appreciate that.

We're going to open up questions from the government side. Minister Rickford.

Hon. Greg Rickford: I just want to chime in, for the benefit of folks who may not be as familiar with the dependency that grows over time when a small northern town is attached to a mill and it closes. We went through this in Kenora. I was elected shortly after the mill closed. Unfortunately, when so many of the people, directly or indirectly, whether it's workers in the plant or the indirect forestry operations people—it can kill us.

More importantly, when we come on as elected officials—and Your Worship has been a councillor but is just new to the job—we're realizing in a very, very serious way that we get suitors coming in to our towns and cities. I've seen them all over the years, I can tell you. But we do have one that's making a stronger business case as the days and weeks march on, and we're going to undertake to have folks out of our office ensure that this process gets these two parties into the room and endeavours to see whether there's the potential to actually reopen this mill.

1100

For anybody who has had the extraordinary opportunity to visit the beautiful Rainy River district, Fort Frances in particular has a great, dynamic downtown but it has sure been hit by the loss of this mill. Unfortunately, in some respects, the mill is right there at the border. It is an unmistakable asset that represents so much of what Fort Frances used to have, and doesn't.

I just wanted to make that comment. Thank you.

The Chair (Mr. Stephen Crawford): Mr. Downey?

Mr. Doug Downey: I understand the AMP issue, the OMPF funding, the links—the railway tax system you

presented at AMO, I believe; I remember that—but I don't understand the integrity commissioner piece and what Pandora's box you think that's going to open. I don't understand that.

Mr. Douglas Brown: I'll talk to that. Basically, there has been a municipal conflict of interest in place. There are processes that do that. In our workplace, we're an employer. Under occupational health and safety in Ontario, there's the harassment, that you have to have a clear zero-tolerance in your thing. So there is legislation to deal with that.

I'll give you an example. Two councillors are debating an issue. One guy says one view. The other guy has another view. He can go to the integrity commissioner and file a complaint that all the taxpayers in our community would have to pay for. We don't want an additional cost to our organization. We feel that it's giving a platform that's eroding democracy, and we don't want to pay for that. We can do it ourselves. We've done it in the past. It has worked before.

We have a huge financial problem, and this is just adding another layer of costs to us. We don't want the costs.

Mr. Doug Downey: So just to clarify, it's not the powers of the integrity commissioner; it's the existence of the integrity commissioner.

Mr. Douglas Brown: We don't want an integrity commissioner. We don't have a problem with doing a code of conduct and—

Mr. Doug Downey: I understand.

Mr. Douglas Brown: We don't want an integrity commissioner to be downloaded onto us. We've heard through the stories: \$50,000 for a community of 5,000 people. We don't want that.

Mr. Doug Downey: Okay, thank you.

The Chair (Mr. Stephen Crawford): Just 20 seconds. Any further questions? No. Okay.

Let's go to the opposition side. Ms. Shaw.

Ms. Sandy Shaw: It's a pleasure to meet you, Mayor Caul and Mr. Brown. Thank you for being here.

Municipalities across Ontario are all struggling. I recognize the increased difficulty you have, and we talked about dependency in a one-industry town. I can't imagine the struggles that you're facing.

You talked a little bit about the costs of downloading. Provincial governments, starting with Mike Harris, downloaded costs to the municipalities. Really, there have been very little of these costs that have been uploaded to take the burden off municipalities.

I guess one of the concepts that lots of municipalities have been talking about is that the province would give them some kind of revenue tools, some ability to raise income themselves. Have you thought in any way about some things that you think the provincial government could do to allow municipalities to raise revenue yourselves, directly?

Ms. June Caul: Definitely we need a bigger tax base. We are an aging population all across the country. We have a lot of young people who would come back to Fort

Frances. There is nothing there without the mill. We want to bring back young people. We looked at possibly starting a trade school. We have Seven Generations institute, who is just opening a new school there. We would like to partner with them to bring in more of those kinds of courses. That would increase our tax base.

We have a huge population of First Nations people who butt up against Fort Frances and we are beginning to have a really good relationship with. We want to have those people included in that tax base, and that has never happened in the past with the municipal government in town at that time. That's very important to me, as a mayor: that that relationship has to be better. They are such good people. We've got First Nations who are buying properties in Fort Frances. They're interested in being part of Fort Frances. That's a big issue for us, to make sure that they're included.

All the outlying municipalities around Fort Frances as well, they come to Fort Frances to shop. We need to keep our town viable for that. We're the only place in the entire district, and it takes almost three hours to drive the length of our district. All of the people in the district, including people from International Falls in the United States, come to Fort Frances to shop. To have the people, we need to have the resources to keep those businesses going.

Mr. Douglas Brown: Any tool that's given to a municipality—

The Chair (Mr. Stephen Crawford): One minute.

Mr. Douglas Brown: —we always review it, and we do it. I'll give you an example. The Municipal Accommodation Tax wasn't very fair with our hotel owners. Basically, tourists are paying for the services of keeping the roads up and stuff like that. It's a flow-through. We might have to use it this year to operate our tourist booth and for our economic development, because you can use the money for that. So that 50% that gets turned over to the town, we're doing it.

As you can see, a lot of these things are operational, that have been put on by the previous governments and that are affecting us right now. They are operational costs that cost the towns more money. Health care: I could talk for years.

Ms. Sandy Shaw: Your ambulance services—

Mr. Douglas Brown: Yes. Levies for the ambulance, doctor recruitment: We are doing this. We're helping get libraries together. We're getting out of the child care business right now, because there's a big model being done in the Rainy River district.

If you don't think we know how to operate a town, this is getting put down. I could go on and on. These are the main ones, because it's about 14% if all of this stuff follows through. If we're all tightening up, let's tighten up, and don't throw regulations down on us that affect the bottom line, because we don't want to leave the next generation with all this debt. And I get it. We get that, because we have been doing that—

The Chair (Mr. Stephen Crawford): Thank you very much for your testimony. We appreciate it.

Mr. Douglas Brown: Thank you.

The Chair (Mr. Stephen Crawford): Our next presenter is cancelled, the Copperfin Credit Union.

KJB HEREFORDS

The Chair (Mr. Stephen Crawford): If Kim Jo Bliss is here, we could move you up earlier. Thank you. This is our 11:15 presenter. We've just moved you up. Welcome. If you could just state your name for the record, you can begin your presentation for seven minutes.

Ms. Kim Jo Bliss: All right. Hello. I'm Kim Jo Bliss. I'll just quickly tell you—I talk really fast, so this will be great for me. I own and operate my own farm north of Emo. I grow and market beef and lamb. I also work for the University of Guelph in Emo doing crop research, and I spend a lot of time in my community volunteering, mainly for the Rainy River Cattlemens Association and the Rainy River regional abattoir. These are my two big ones, but I also work as a liaison with BFO, Beef Farmers of Ontario.

I'm a little bit more unprepared than probably most people in the room. This was my presentation last night, because it was minus 45 degrees for a number of days, and keeping water unfrozen and tractors running is a challenge. And I am on my own.

Firstly, I would like to talk about our small rural abattoirs. I would really like you to consider reclassifying the classifications within our current tax structure. We are classified as industrial, which puts us at the highest tax category. In Emo, our small abattoir, the taxes are \$22,000 a year. We want to pay taxes, but we can't pay \$22,000 a year. Our abattoir revenue last year was around \$270,000. Probably close to \$70,000 of that was just from donations. Having access to abattoirs within our district is not only important for local food; we obviously also have jobs that are affected by this.

Next, OMAFRA offices across the north: Within the north, there are unique climate and regional needs. Many positions are vacant right now because of retirement. Because of the current government freeze, there are staff that have not been replaced, and they are missed. We do not have the same access to organizations and businesses as does the rest of the province in more highly populated areas. I'd like to mention that we don't want to risk losing any of the infrastructure like EARS, which is the Emo Agricultural Research Station; the Lakehead research station; NOFIA, which is in Sudbury; RAIN in Algoma; and the New Liskeard research station. These are really important places in our community.

We would like to do a little more business with our neighbouring province. Obviously, the red tape doing business between Ontario and Manitoba is an issue. We could be supplying meat to Winnipeg, Manitoba. We're three hours away. This would improve our farm income, and create and sustain jobs. Currently, the abattoir is provincially inspected meat and we can't cross borders unless it's federal.

1110

RMP, Risk Management Program: I think this has probably been talked about with every one of you. The platform of the current government was to increase the cap on RMP by \$50 million and allow the unused portion to roll over to the next year. This is likely the single most

important thing you can do for all Ontario beef farmers, not just the north.

NOHFC: We would like to continue to support and enhance this program. The tile drainage and land-clearing projects have grown agriculture in the north by leaps and bounds—I know there are some errors in here, you guys, so I apologize for that. A cost-shared perimeter fencing program would be a wonderful addition to this program. We want to grow our cow herds. Having a fully funded RMP and a fencing program would make this happen for many young people.

A dedicated application stream for agriculture to allow access to crown land is something that BFO, Beef Farmers of Ontario, has been working on for a number of years. This would allow many producers to achieve economies of scale.

In many rural areas, access to natural gas would certainly help to reduce energy costs. Hydro bills are high, and you would understand, with these current temperatures, with what I've been going through, the challenge to keep things from freezing such as water, transportation—and you're constantly thinking, as you use all the power, that you're just waiting for that bill to come next month.

I feel like some of my stuff linked together and probably you've heard a lot of this today.

Transportation: Many of our roads and bridges are in great need of repair, and possibly some of the major highways. I'm sure Greg heard about this on the weekend. Because of the new mine in the Rainy River district, some of our roads are in more need of repair than others, because of the heavy road use.

Health care: I realize Ted is speaking, but I feel that this is important to bring up. Our facilities are stretched, and we're competing—for example, I know Mr. Brown talked about doctor recruitment. Our small communities are competing with larger centres for signing bonuses. We obviously just don't have the capacity to compete with those people, but we want to continue to have good care close to home.

Broadband: More and more of our business, even as a rural farmer, is obviously done online, and we all need to have good access to good telecommunications and broadband etc.

A farmer called me last night at 10 o'clock to say, "Please bring up the training of truck drivers." It is creating a shortage. I know there's a shortage of a lot of staff and workers in our district mainly because of the mine. But now they have to go out of town to be trained. It's an \$8,000 cost to be trained, and they have to go to Thunder Bay. So now they're looking for people to haul wood. Our sales barn operates—we sell about \$8 million worth of cattle in Stratton every year, and it's a continually huge effort to have trucks there to get those cattle out of the district. That was the other thing.

Those are my issues. I probably could go on and on.

The Chair (Mr. Stephen Crawford): Thank you very much. We're going to start with the opposition side for questioning. Mr. Arthur.

Mr. Ian Arthur: Thank you so much for your presentation.

Before I was elected, I was a chef and I worked with many, many local farmers. In particular, the issue you raised about small abattoirs—we lost a local abattoir in Kingston and it has created an ever-growing backlog. Farmers are booking their animals six months, eight months, nine months in advance, almost when the animals are infants. It's a huge issue, and it continues to make it even more difficult for small farmers to continue doing their jobs.

Ms. Kim Jo Bliss: Definitely.

Mr. Ian Arthur: I'm very happy to see that you flagged that here. I think reclassifying them and making it easier for them to operate would be a fantastic thing for this government to pursue. I think it would be very, very important.

Working with OMAFRA locally, even in other parts of Ontario—the need to staff those offices. I cannot agree with you more. They are the lifeline to so many of the programs that you can access—they know how to do that—and where farmers can get the supports they need to make their operations viable.

Those are issues that are very, very close to my heart.

The barriers to trade between provinces is something that has come up a number of times. Again, I would love to see the government deal with this—cheese produced in Quebec that we're not allowed to eat here.

Ms. Kim Jo Bliss: That's right.

Mr. Ian Arthur: Milk that we produce here that we can't send to other jurisdictions—or beef across the border. Do you want to expand on some of the other opportunities you might see there if we were able to nix some of these interprovincial barriers?

Ms. Kim Jo Bliss: Probably, one of the biggest examples is that we have some unique products, like you just said about Quebec cheese. We have a fairly major elk producer that has continually been asked to get elk product to Manitoba. Obviously, there's a bigger urban centre that we could touch there. We are getting meat to Thunder Bay, but that's within our province.

We could be selling more meat—I'm talking meat right now—to the Winnipeg area, but because of the border, we can't get it across. To me, this is where these issues all work together. We need to be able to get it there. We need the truck drivers and we need to be able to cross the border. Selling more meat, getting more animals through our abattoir will increase our revenue too.

There are just all kinds of products. We have a fairly big greenhouse component in Rainy River too. Those products could get also get into a more major centre. It's really opening up and increasing our income and creating more jobs. Obviously, the busier we all would be, there would be more people working at all of these places, for sure.

Mr. Ian Arthur: Would you just talk about the importance of local food production? You talked about greenhouses and that. You talked about food costs in the north being exceptionally high. Good food is hard to access. Just expand on the small farmers and the role they play.

Ms. Kim Jo Bliss: We all want to have access to good local food. Without the abattoirs, it is no longer local. At one point, when we had no abattoir, we were actually bringing our animals to Dryden here or to Thunder Bay to be slaughtered. We're really losing the local component. These animals are going up the highway. We're spending money on fuel and we're driving them back to be cut and wrapped, to eat our own food.

Everyone talks about local food. Everybody wants to have good access to local foods, and we just have to work hard. We can all talk about it, but we have to put some teeth behind this now to keep it actually happening. I could go on and on about stories. Within Fort Frances, our neighbouring community, there are people there who, by word of mouth, have started buying meat from me, and they're just amazed at the quality. These animals haven't been trucked in and haven't been on the road and repackaged and packaged a million times over.

We're having safe local food. They can come to my farm or any one of our farms and meet us. They actually see the person who is producing this meat—

The Chair (Mr. Stephen Crawford): Thank you very much. We've exceeded our time. We'll move to the government side. Minister Rickford had a question or a comment?

Hon. Greg Rickford: I promise not to ask questions; that's the work of the standing committee. But to make some comments: Kim Jo and I have a long-standing relationship on some of these. I'm very pleased to hear your knowledge around the abattoirs, Ian.

I'll just make a comment on three things. First of all, with the natural gas: One of the challenges that we've had up here, folks—and I spoke actually to the president and CEO of Enbridge just last week about that. We will have smaller business, of much smaller scale than we see in other parts of the province, literally a stone's throw away from the pipeline and not be able to hook up because there's no business case. Rainy River is changing because New Gold is out at the far end of Rainy River now. With that anchor tenant, we now have an ability or a prospect of doing that. I believe that we should be modifying the business case in some instances because smaller employers cannot actually reach and get natural gas. I think we're working on that as a government—in fact, I know we are.

The abattoir piece, just very briefly: Ian, you would be interested to know that we have an abattoir just outside of town here in Oxdrift. This goes to MPAC, the Municipal Property Assessment Corp. When we start talking about organized and unorganized territory, that abattoir isn't subjected to the same taxes because it sits in an unorganized territory, so it's a highly competitive abattoir. It serves Indigenous communities. They're able to move their food. We've now looking at food distribution into the isolated northern communities through it. The abattoir in Emo sits in a municipality, so it's subject to MPAC's assessments and that's what causes the taxation to be so high. I've spoken and written to Ministers Hardeman and Clark about fixing this and trying to get a designation.

But it might be useful, Ian, for us to work as a standing committee and take an assessment of all of these abattoirs, because they are local meats produced often for unique restaurants and top chefs and stuff doing their work in the various communities. I would be thrilled to have a bipartisan process on that.

1120

Finally, I share Kim Jo's emphasis on the modification of NOHFC—more targeted investments that actually focus on helping. Fort Frances and Dryden, but in particular Fort Frances, are some of the most robust agriculture spaces in Ontario. In fact, Fort Frances is the gateway to the prairies, in no uncertain terms. So tile and drainage and those kinds of helpful things are what I think NOHFC has been focusing on enough, Kim Jo, but maybe there are more opportunities—

Ms. Kim Jo Bliss: There are other programs it could enhance. Yes, for sure.

Hon. Greg Rickford: That's right. Thank you for your indulgence.

The Chair (Mr. Stephen Crawford): Thank you.

You've got a minute and 10 seconds left. Mr. Downey?

Mr. Doug Downey: Still on the abattoir issue: As a lawyer, I can get licensed in different provinces. Has there ever been a move to try to get the inspectors dual—

Ms. Kim Jo Bliss: We would have to do federal then, so that's a whole other class. We did build our abattoir to federal specs, but we haven't been able to get a federal inspector. We've looked into this, but also we are so broke that—

Mr. Doug Downey: Sorry—just because we're short on time. I was thinking about maybe having that conversation with Manitoba and meeting their standards, because we could come to some agreement without going to the feds.

Ms. Kim Jo Bliss: Possibly. Right now, we have to be a federally inspected plant. We have gone back and forth. We actually have moved animals into Manitoba to be killed at a federal plant and then brought them back and were in trouble.

The Chair (Mr. Stephen Crawford): Mr. Rickford.

Hon. Greg Rickford: But if we can move liquor across provincial boundaries, why can't we move beef? We all need to just stand on a bigger shoebox and get the federal government to move off on some of this stuff.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much for your testimony.

Ms. Kim Jo Bliss: Thank you, guys.

THUNDER BAY HEALTH COALITION

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter, the Thunder Bay Health Coalition.

Good morning. If you could just state your names—

Mr. Jules Tupker: It's still morning, yes. Good morning. My name is Jules Tupker. I'm the chair of the Thunder Bay Health Coalition. With me today is Katrina Peterson, who is a member of Unifor Local 324. She's an RPN at the long-term-care home here in Dryden.

The Thunder Bay Health Coalition is a public advocacy non-partisan organization made up of community groups, individuals and unions who are committed to maintaining and enhancing our publicly funded, publicly administered health care system. We work to honour and strengthen the principles of the Canada Health Act and medicare.

We're here today to provide some information on health care issues here in Thunder Bay and northwestern Ontario and to offer some suggestions to the Conservative government so that it can prepare a budget that provides the proper measures to implement effective health care in Thunder Bay, northwestern Ontario and indeed in all of Ontario. I know you're probably going to get presentations from other municipalities and other health care coalitions in Ontario.

We'll touch on the hospitals first.

The Thunder Bay Regional Health Sciences Centre, the hospital in Thunder Bay, was built to serve as a hub for all of northwestern Ontario. Since its opening, the hospital has been experiencing overcrowding, especially in its emergency department, resulting in an almost continuous gridlock situation. The reason for this situation is that there is a constant backlog of patients waiting in the hospital for alternate-level-of-care beds. Patients are in beds in corridors, alcoves and examining rooms.

The hospital was built to hold 375 beds, but because of the gridlock situation, the hospital renovated lounges, which were designed to provide a peaceful retreat for patients, into patient rooms so that the hospital now has 395 beds available for acute-care patients. The provincial government funds the hospital for 395 beds; in reality, however, the hospital on a regular basis has well over 400—the last number I heard last week was 440—patients in bed every day. This means the hospital is spending thousands of dollars per year that it is not receiving in funding from the government.

This overcrowding in the emergency department and the rest of the hospital has resulted in an unsafe condition in regard to fire safety and has caused stress on the staff. The overcrowding has also resulted in very long waits and turnaround times for ambulances, as they have to wait to off-load patients because there are no beds available in the emergency department. The backlog of ALC and long-term-care patients in acute-care beds is a drain on nursing staff who are not well trained to care for long-term-care patients and is unfair to the patients who require special care and treatment that can best be provided in a long-term-care home. A long-term-care patient should be in their home or in a facility that serves as their home, not in a temporary bed in a hospital.

Our hospital is not unique in the province. Hospitals all across the province are facing similar situations and are being forced to cut services and are looking at off-loading services to private clinics in order to make ends meet. The Ontario Health Coalition in its 2015 Code Red document lists numerous hospitals throughout the province that have had cuts to their budgets, resulting in the closure of many services. Northern Ontario is no exception. Hospitals in New Liskeard, Timmins, North Bay, Sault Ste. Marie,

Sudbury and Geraldton have seen the cancellation of numerous services over the years, including the closure of beds and the layoff of staff. Luckily, and through good management, our hospital has been able to continue to operate without having to take any actions like those of the above-mentioned hospitals, although, with no funding increase over the past four years and an annual cost-of-living increase of about 2% a year, the hospital has struggled to provide the services it would like to and needs to provide to citizens.

Why is there overcrowding and a backlog in our provincial hospitals and why are there all these closures and layoffs across the province? The answer is quite simple: Past governments have, and the current government continues to, underfund the health care system. Hospital funding in Ontario is the second-lowest of any province in Canada. In 2016, the last year that we have statistics for, Ontario was funding hospitals to the tune of \$1,389 per person. The average for all of Canada was \$1,929.26. Funding of public health care in general as a percentage of provincial GDP in Ontario in 2016 was the lowest in all of Canada, at 2.43%, which is well below the Canadian average of 3.7%.

As a recommendation, we recommend that the government increase hospital funding to 5.3% annually for the next four years in order for hospitals to overcome the problems they are encountering.

Ms. Katrina Peterson: The issues we're experiencing in long-term care here in Dryden: Of course, number one is staff shortages. I understand that one of the big topics in media is the increase in beds in long-term care in hospitals, but the reality is, we don't have the staff to staff those beds. That's my biggest concern.

We've got enormous workloads, we've got overbearing regulations and we've got increased complex care needs. In reality, in the next 20 years our senior population is going to double. We have open full-time positions at Dryden's Princess Court long-term care. People can just walk in and get a full-time position right now. We are absolutely overworked. We're staying hours after our own shift to look after these residents—legally, we can't leave—and we're just burned out.

What needs to happen is that we need more on-the-job training for PSW certification to allow students to earn a living while obtaining their certification. This will help. There are programs in place right now, but they need to increase. We don't even have the students in these programs, unfortunately; so, hopefully there will be a change there.

Incentives to keep workers in our community: Again, the regulations are just so overbearing. Staff are spending more time trying to fix our compliance orders when we should be providing care. We are actually inspectors in our own homes, and it's just—

The Chair (Mr. Stephen Crawford): One minute.

Ms. Katrina Peterson: We've got more complex care. We've got mental health patients who are coming into long-term care that our staff are not able to deal with because they don't have the training for it, because of the

closures of mental health hospitals. Our staff are getting hurt. Every day, we're being abused. Our staff are off on WSIB. Basically, we have a huge staff shortage because of these reasons.

Our funding models: I believe they need to change. I don't think they reflect what's going on in long-term care. Funds should be determined on the increased needs and growing costs of providing care—not reducing that funding on individual residents' improved outcomes. Needs, and the complexity of care of each individual, can change daily, not just monthly, quarterly or yearly, and the funding needs to be more flexible.

The Chair (Mr. Stephen Crawford): Okay, thank you. With that, we'll open it for questions. Four minutes from the government: Mr. Piccini.

Mr. David Piccini: Thank you both very much for presenting today. In my previous career, I worked in health care. I know there's a lot that can be done, definitely.

Our commitment to long-term-care beds—I know there are different realities in the north. In my community, we provided much-needed supports at Golden Plough and a number of additional LTC beds that take them out of emergency and into long-term care, where we need it. We heard from a colleague of yours earlier here who echoed that sentiment.

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But I wanted to build on the staffing. That's something we've heard throughout the day today. What linkages do you have with colleges and universities, and what do you think we, as a government, can better do to support that?

Mr. Jules Tupker: As far as I know, we don't have the linkages at all. I've gone to the college. They just have no students or no people coming to apply for those positions, basically because that's—you have a couple in our report. Basically, in the report, in the long-term-care section, it talks about the workload. Katrina has talked about the workload and the conditions that these people have to work in. Everybody hears the stories. They're all saying, "I don't think I want to become a PSW. I don't want to work in that home."

Like I said in my presentation, we have custodial staff and kitchen staff who are making about \$2 an hour less than people who are working with patients, working their buns off and getting hurt because there's just not enough time to wait for a lift, to get an assistant to help an elderly person out of their bed, and for cleaning up the poop and everything else. For \$2 an hour more, it's not worth it, so they're saying, "I don't think I want to do this. I'm not going to do that."

The homes are filled with all kinds of people who are heavy-duty care. The students are just not coming into the college to take that education to work in the long-term-care field anymore.

Ms. Katrina Peterson: We do have live classrooms. It was started in Kenora last year. It seemed to be successful. We started it this year. They are working and learning right on-site at Princess Court and Patricia Gardens. Unfortunately, the enrolment's not there. I don't know the reasoning behind the low enrolment. I've heard from many

people that they just don't want to get into that field because of the media around it and the workload and such.

Mr. Jules Tupker: Last year I talked to some of the long-term-care homes in Thunder Bay—I'm on the family council at one of the homes—about the situation. They are saying the same thing as Katrina said. I phoned Kevin Queen, because I used to be a CUPE rep in my previous lifetime and I dealt with Kevin Queen in Fort Frances. He told me about the program that he has there, about the on-site training, which is the only place I've heard of that happening in. I think it's a wonderful idea. It should be expanded.

Mr. David Piccini: Okay. Thank you.

The Chair (Mr. Stephen Crawford): One minute left. Mr. Roberts?

Mr. Jeremy Roberts: Katrina, you were talking a bit about regulations and some of the compliance burden. Are there any specific examples you can provide of areas where we might be able to help you guys with that compliance burden—maintaining the same standards but allowing you to focus more on patients?

Ms. Katrina Peterson: Yes. I did speak with some of the administration staff this past week, and we did have a big hit the last time compliance was in. Their biggest complaint was, "They come in, they throw these orders at us and then walk out. There's no support. There's pointing fingers, and that's it. There's no support in helping us obtain the home that it should be." I think that was the biggest concern.

I find that some of the regulations are just a little overbearing. Given the times that we are in, with a staff shortage and funding shortage, maybe that whole system has to be looked at. Maybe there are things that have to be determined—what's important and what's not. But the biggest thing was support after.

The Chair (Mr. Stephen Crawford): Thank you.

We'll now go to questions from the opposition side. Mr. Arthur.

Mr. Ian Arthur: Thank you so much for your presentation.

I want to talk a little bit about the section here where you talk about the funding and per capita funding, and just how there aren't shortcuts when it comes to health care in Ontario. We do fund it—what did you say?—the second-lowest per capita funding in Canada. This is a government that has actually moved to cut revenue streams before balancing the budget, which has led to the downgrading of our credit rating as a province.

Would you talk a bit more about how important that funding increase would be and if you actually see that there is an alternative to increased funding to deal with the problems that you are facing?

Mr. Jules Tupker: As an alternative, I guess—I'm also involved in poverty programs in Thunder Bay. The social determinants of health come to mind all the time. I guess if we can make people healthy before they go to the hospital, it would solve the problem. I think it would be a huge increase in a way of solving some of the problem of people loading into the hospital.

Mr. Ian Arthur: But that itself would require funding.

Mr. Jules Tupker: Exactly. Right. Other than money, there's no way that we can solve this problem. As Katrina said, in long-term care, the compliance issues that I talked about in the report—basically, the staff there want to do the job. They can't do the job, so they take shortcuts. All of a sudden, there are people who are not being belted into their wheelchairs and they fall out of their wheelchair and they're hurt. That's not because the employee doesn't want to do it; it's that the employee doesn't have the time to do it. The only way they're going to have time is that you have to have more staff. It's as simple as that. If you don't have the staff to do the job properly, you can't do the job properly.

In the hospitals, it's the same thing. It's not staffing as much in the hospitals as it is finding spaces for the people that are the ALC beds in our hospitals. Clearly the hospital funding has to be there to allow them to provide the spaces and to provide the care. The people that work in the hospitals are phenomenal. I had a hip done three years ago. The care was amazing. Everybody I talk to that has gone to the hospital—and when I make a presentation and I talk to people and they say, “Well, you're always bitching about the hospital”—I'm not bitching about the staff; I'm bitching about the fact that the hospital is not adequate.

The size of the hospital for Thunder Bay—it was a hub hospital for northwestern Ontario. We're flooded with people from the reserves—absolutely unbelievable. If you go to Thunder Bay regional hospital and you walk into the foyer at the front, it is filled with Aboriginal people that are there from the reserves. It's unbelievable, what's going on. There's an estimate that there are probably 20,000 people in Thunder Bay more than what are registered. We're classed as 108,000 people. There are probably closer to 130,000, most of those people from the outlying reserves coming to Thunder Bay for care—a lot of them coming for care to the hospital.

The Chair (Mr. Stephen Crawford): Ms. Shaw.

Ms. Sandy Shaw: We heard from the Ontario Hospital Association in Toronto, who are looking for a 3.5% increase, and we heard earlier today from people saying that the surge funding that was provided didn't even trickle down to this region. In fact, the surge funding that was provided by this government is \$10 million less than what was provided by the previous Wynne government.

I really want to focus on the notion that there's a sense that this is a system that can be more efficient and that there are regulations that are creating this backlog. It is a system—I recognize that—but my sense is that staff are working to the bone. In fact, they are what is keeping this system, which really is in crisis, hanging together. Your request is for—is it 5.3%?

Mr. Jules Tupker: Yes, 5.3%.

Ms. Sandy Shaw: —annually. And that request is simply to keep pace with inflation, with the need, with demographics. Can you just break down a little bit why 5.3% is what you think this government needs to provide for hospitals?

The Chair (Mr. Stephen Crawford): Sorry, you actually did the four minutes.

Ms. Sandy Shaw: Oh, I did?

The Chair (Mr. Stephen Crawford): You've exceeded it, yes. I apologize. We'll have to take a—

Ms. Sandy Shaw: By one minute, did I?

The Chair (Mr. Stephen Crawford): Yes, and more. You actually exceeded it.

Anyway, thank you so much for your presentation. We appreciate it.

RIVERSIDE HEALTH CARE FACILITIES

The Chair (Mr. Stephen Crawford): We'll call up our next witnesses: Riverside Health Care Facilities. Good morning.

Mr. Ted Scholten: Good morning.

The Chair (Mr. Stephen Crawford): If you can just state your name for the record and you can get right into your presentation. You have up to seven minutes. I'll give you a one-minute warning.

Mr. Ted Scholten: Thank you. My name is Ted Scholten. I'm the president and CEO at Riverside Health Care, based in Fort Frances.

A little background information: Riverside Health Care is a fully accredited, multi-site, multi-function health care system serving the residents of the Rainy River district. Riverside Health Care operates hospitals and health centres in Fort Frances, Emo and Rainy River under a single board and joint medical staff, as well as Rainycrest Long Term Care home and LaVerendrye Non-Profit Supportive Housing in Fort Frances. Each community is also served by Riverside Community Counselling, which provides mental health and addictions services; community support services; and Valley Diabetes Education Centre, which provides important chronic disease management programming.

In the interests of time, I'm not going to cover the background information that is italicized on the rest of this page and on the second page.

In terms of the presentation today, on cutting red tape and improving government services and saving taxpayers money: Per the Ontario Hospital Association recommendations, we support integrated models of care. Riverside is an example of a highly integrated model of care. Our board and administration have been working diligently with our community partners over the past two years to advance a health hub model in the west end of the Rainy River district. Our vision is, “To enhance the health status for all people in the Rainy River district through improved access, coordination, safety, quality and experience with health service providers, while considering health equity, health promotion and disease prevention.”

A memorandum of understanding between the member organizations of the Rainy River District West Health Hub has been signed by all except our Indigenous partners. We have a future-state document which outlines how we will move forward; however, with the current governmental restrictions, this initiative has stalled.

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Health hubs do save money in obvious ways, such as common back office and services such as payroll, laundry,

human resources, laboratory, administrative leadership and, in some cases, co-location of services for one-stop access.

We've been successful in leveraging partnerships with our local and regional partners. Thunder Bay Regional Health Sciences Centre provides dialysis in Fort Frances. We have partnerships with pharmacy, a regional orthopaedic program, critical care and others like the Ontario Telemedicine Network and the Rehabilitative Care Alliance.

We support capacity planning. A systemic review of the region is needed to determine size and structure to meet the care needs of the population, factoring in the rural, sparse density of our population, while considering the number and mix of services that are needed to meet current and future demands. Our alternate-level-of-care crisis is pretty dire. Riverside has been up to as high as 200% capacity in our acute-care areas.

We support policies to end hallway medicine—better home and community care linkages. Although we are in the same building with our home and community care division, separate funding and operations make true integration/efficiencies limited. Flexibility in provision and access to services to areas of greatest need is required.

We support the recommendation for enhanced behavioural support capacity—enhance mental health to provide support in long-term care, to effectively transition alternate-level-of-care patients in the hospital with behavioural challenges. Behavioural Supports Ontario is an example of a program that's designed for long-term care but does not allow provision directly in acute settings.

We support provision of enhanced supportive housing. Riverside provides community support services and assisted living across the district, but this is not without its challenges for proper oversight and service delivery.

We support continued investments in long-term care to support and lessen the burdens of ALC patients.

We support innovation in recruitment of needed health professionals and support workers: physicians, rehabilitation professionals etc. I think many of our speakers today have talked about the importance of recruitment and retention in the north. It is very difficult. I have some examples in my presentation.

Our emergency department is largely dependent on locum physicians at a tremendous cost. HealthForceOntario helps us with some of the staffing of our emergency department. But we also have non-HealthForceOntario physicians. We have to pay for their travel honorariums, for their travel to and from Fort Frances. Fort Frances is not an easy place to get to. It's an eight-hour trip, no matter where you're coming from—especially from southern Ontario.

We're always one professional away from a crisis. With a funding announcement for enhanced funding in Fort Frances, we lost a physio and an OT to Fort Frances Tribal Area Health Services—Jordan's Principle. A critical mass is not there, really, to draw from for recruitment, so recruitment packages are needed.

I echo the comments of previous speakers as it relates to PSWs. We did institute a living classroom and paid

tuition and have return-of-service agreements for students to come work for Riverside at the Rainycrest long-term-care home, and it works.

We concur with the OHA recommendation to increase funding. However, the 3.45% or 3.5% recommended, with growth factored out for the north, amounts to just 1.45% and is not enough.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Ted Scholten: Riverside evolved to become an integrated corporation over the past three decades. Our services are continuum-wide and district-wide, and we deliver services with a very lean senior management team. Being inadequately resourced has contributed to some of our challenges, and the lack of understanding of the pressures unique to our situation and the integrated model have resulted in a cumulative impact on us.

We need a process for expedited review of right-sized funding. We have worked in lockstep with our LHIN and the ministry, both the acute and long-term branches, and have been fiscally challenged to meet our requirements in long-term care. We've been closed to admissions. This has resulted in an ALC crisis. We're concerned that the health portfolio restructure will leave us a lame duck for the immediate future.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much. We're going to start with questions from the opposition side, so four minutes. Ms. Shaw.

Ms. Sandy Shaw: You say you're fiscally challenged. I think you're kind of underselling your situation there.

Mr. Ted Scholten: Very much so.

Ms. Sandy Shaw: Yes. Can you really speak to how the inadequate funding that you're currently receiving is directly related to some of these challenges that you spoke to?

Mr. Ted Scholten: One of our major challenges right now is that our long-term-care home has been closed to admissions. As a result, we have additional expenses related to managing a huge complement of long-term-care patients or what would be long-term-care patients and are currently alternate-level-of-care patients within the hospital. Up-staffing for nursing and other disciplines has created an over \$900,000 deficit on the acute side. At the same time, due to non-occupancy funding, we're expecting clawbacks to the tune of almost \$2 million from the long-term-care branch. Those have been deferred for now, but we expect those clawbacks to occur.

We've also had to cancel our orthopaedic procedures because of the influx of alternate-level-of-care patients at our main LaVerendrye site in Fort Frances.

Ms. Sandy Shaw: In your testimony you describe the alternate level of care as a crisis. This government has talked about increasing long-term-care beds, but they're going to take years to come online in the numbers that we are going to need to address this crisis that we're facing. Again, my question would be to you—as much as you've talked about the integrated funding model, which speaks to efficiency, it really comes down to having to be adequately funded. The OHA, as you said, is asking for a 3.45% increase just to meet current needs, and not really

even addressing the backlog. Could you talk specifically a little bit on why the 3.45% is not adequate for the challenges you face in the north here?

Mr. Ted Scholten: I think the ALC piece is self-evident: the fact that we are having to up-staff in order to manage the needs of the long-term-care patients that can't be placed. We have a huge amount of overfunding our costs and expenses that are well beyond the amount that we're funded for. We're funded for approximately a census of 30-plus, 32, and we've been running in the mid-50s for several months now.

The Chair (Mr. Stephen Crawford): Mr. Arthur, and we have one minute left.

Mr. Ian Arthur: I actually just wanted you to elaborate on the personal support worker program, the paid tuition and everything. How was that funded?

Mr. Ted Scholten: It's not funded.

Mr. Ian Arthur: It's not funded.

Mr. Ted Scholten: The hospital just did it because it's the right thing to do. We are funding for approximately—there were approximately a dozen students who applied and went through the program. Right now, I think it's down to eight or 10. I believe seven of those students will be signing return-of-service agreements to work for the long-term-care home upon completion.

Mr. Ian Arthur: And then just very quickly, your MOU—

Mr. Ted Scholten: Excuse me. I will just say that's a partnership with Confederation College.

Mr. Ian Arthur: Okay, perfect. Your MOU with the Rainy River District West Health Hub—except for Indigenous partners. What were some of the obstacles to bringing Indigenous partners on board with that?

Mr. Ted Scholten: Not really—

Mr. Ian Arthur: Or just elaborate on it.

Mr. Ted Scholten: The Rainy River District West Health Hub has worked with the LHIN. There was an early adopter project. We invited all partners to participate. I believe the Indigenous partners are also—

The Chair (Mr. Stephen Crawford): I'm afraid we've actually exceeded the time, so I apologize.

We'll move to the government side. Minister Rickford.

Hon. Greg Rickford: Thank you. I have a couple of comments but I think it's important that we hear the finish of that, if you want to just finish.

Mr. Ted Scholten: I believe that our Indigenous partners are looking to create a parallel health system and are a little resistant to agree without some guarantee that their funding and the services won't be diminished in any way. I believe that's part of the barrier for that having advanced. I also think that the early adopter project for integration had basically stalled. The LHIN's ability to exercise some of the programming has been restricted.

Hon. Greg Rickford: Thanks, Ted. Just a couple of comments: Again, we've obviously been working very closely together on a number of challenges that we hope to turn into opportunities. Certainly I think we're set to make some progress on some third-party support for the executive capacity for Riverside Health Care.

Just another comment on the PSWs—Sandy and Ian had mentioned it. One of the challenges we have out here in the smaller communities where there is actually no anchor college or university that offers these—I'm a diploma-prepared registered nurse. All throughout my training, of course, we were able to get jobs at long-term-care facilities because we were in a nursing program. Because we don't have that, we're also missing an additional source of people who would take on positions in the PSW role, especially during seasons of the summer where the existing staff go on. In the absence of that as another source to back up PSWs, we're at even more of a deficit.

I think this is one of the most important things that we can look at in terms of ensuring there are PSW training opportunities on the ground in some of our smaller communities, given their new-found prominence as health care providers in long-term-care facilities.

Mr. Ted Scholten: I would agree. I also agree with the previous presenter's comments that this is difficult work. It's very difficult work, and if you can make \$2 less or the same in a parallel department, why not transfer? It's difficult work, and I believe that PSWs are being more recruited for home care as well, so there is lots of opportunity.

Hon. Greg Rickford: There's a lot of competition for that resource.

Mr. Ted Scholten: Correct.

The Chair (Mr. Stephen Crawford): We have about a minute and 10 seconds left. Mr. Cho.

Mr. Stan Cho: Thank you for your presentation. I have the privilege of sitting on the Treasury Board with Minister Rickford, so I get to hear the concerns of the north first-hand, but it's great to come here to hear it directly.

I'm hearing some common threads in the challenges that are faced up here. One of those happens to be with attracting talent. I'm wondering, what can we take back with us? What can we work on as a government to help attract that talent to the north?

Mr. Ted Scholten: Well, I think it's important that you keep the programs that are working. The Northern and Rural Recruitment and Retention Initiative, the NRRRI, for physicians has been successful. Unfortunately, with physicians there are other packages that are also being offered that sometimes make it difficult to recruit them to your home community.

The other northern incentive program for health professionals is also an important one to keep intact. That would help to recruit folks like occupational therapists and physiotherapists. As an occupational therapist, I was recruited to Fort Frances some 25 or 30 years ago, and it got me started in this province.

Those are important programs that I think really work.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much for your testimony. We appreciate it.

That concludes our morning presentations. We'll have a recess until 1 o'clock. So we'll conclude now until 1 o'clock. Thank you.

The committee recessed from 1152 to 1302.

The Chair (Mr. Stephen Crawford): Good afternoon, and welcome to our afternoon session here at the Standing Committee on Finance and Economic Affairs. We're pleased to be here in Dryden.

WEYERHAEUSER CO. LTD.

The Chair (Mr. Stephen Crawford): We'll start off our afternoon at 1 o'clock here. Just so you're aware, you have seven minutes to present, and then we'll take four minutes of questioning from each side. I will give you a one-minute warning as well, both during the presentation and the questions.

I'm pleased to have Weyerhaeuser Co. Ltd. here today. If you could please just state your names for the record, and you can get right into your presentation.

Mr. Erik Holmstrom: My name is Erik Holmstrom. I'm the timberlands manager for Weyerhaeuser.

Mr. Matt Wilkie: My name is Matt Wilkie. I'm the purchase leader for Weyerhaeuser Kenora.

Mr. Erik Holmstrom: For those of you from other regions, I'd like to welcome you to northwestern Ontario. I hope you all brought your toques with you.

Laughter.

Mr. Erik Holmstrom: Even though it gets a little cold here, we're blessed to live in such a resource-rich region. I grew up in Kenora, and I'm fortunate to have had the opportunity to move back to my hometown five years ago. I graduated from Lakehead's forestry program 20 years ago and, since then, have worked as a forester in several regions, including New Brunswick, Saskatchewan, Alberta, British Columbia and Washington state.

Working in other jurisdictions has allowed me to appreciate our forestry practices in Ontario and realize how crucial the forest industry is to northwestern Ontario. The forest sector's strength in this region has always been its ability to use our renewable resources sustainably and responsibly. This sector not only practices world-class forest management but has continually transformed itself to become a leader in advanced manufacturing, responding to the latest consumer trends and technological advancements.

In 2001, Weyerhaeuser constructed its most innovative facility to date and chose Kenora as its location. The plant cost \$260 million to build. We're one of Kenora's largest employers and we employ over 220 people in the mill and approximately the same number in the forest.

Through advanced manufacturing, this facility produces an engineered lumber product from poplar and birch trees that we call "TimberStrand." This is the first and only TimberStrand plant in Canada, and it's the most advanced engineered-wood products operation in the world. TimberStrand is used in residential and commercial wall framing, headers, beams, columns, as well as for other industrial uses such as concrete forms, furniture frames, door and window cores and heavy-duty pallets. Products are produced in lengths of up to 64 feet and a thickness between one and three and a half inches. TimberStrand resists warping, splitting and twisting. It's

stiff, strong and straight every time. Environmentally there is no waste, as the entire log is used. The log by-products are converted to hog fuel to produce heat for the process.

As previously mentioned, we have a rich history in this region of utilizing our forest resources sustainably. My great-great-grandfather started his forestry career in Dryden over 100 years ago, and we continue to sustainably harvest from the same areas. All forestry operations on crown land in Ontario must abide by the Crown Forest Sustainability Act. Under this rigorous environmental regulation, forests are managed to provide large, healthy, diverse and productive crown forests and their associated ecological processes and biological diversity. It does this by requiring forest operations to emulate natural disturbances. Under the CFSA, forests are managed and evaluated at multiple scales, from the broad landscape level down to the smaller site level, based on sound and ever-improving science.

The CFSA considers all three pillars of sustainability, which are environmental, social and economic. This approach, which has garnered successful results for the past 25 years, is now at odds with Ontario's Endangered Species Act. The ESA has a mandate to protect individuals of species at risk as opposed to managing for all aspects of the forest. The single-species approach of ESA will negatively impact the environmental, social and economic sustainability of forestry in northwestern Ontario.

The forest sector should not be asked to operate under two acts. The duplication is not necessary, and the objectives of the two acts are irreconcilable. We believe there should be permanent recognition that the CFSA is equivalent to the ESA and, as such, forestry in our province should continue to operate under the CFSA.

The next item I'd like to discuss, and I'm sure it's been brought up previously and likely will continue to be discussed by others, is the public investment in crown road infrastructure. The provincial roads funding program helps to support our infrastructure and is critical to the people of northwestern Ontario. Initially, the funding for public access infrastructure was \$75 million. The current government has reduced this funding to \$54 million. With an increase in activity in the forests in northwestern Ontario, we ask that the roads funding program be brought back to its previous level of \$75 million.

At the back of the handout, I've included letters from our road-building contractors outlining their concerns regarding the roads funding program. Most of the roads in the Kenora forest and the Whiskey Jack are built by First Nation contractors and used by the forest industry, the mining industry, First Nation communities, hunters, trappers, fishermen, recreationalists and tourist operators. This program is not a subsidy but an investment in our northern infrastructure. We are blessed with the abundance of forests in this region, but for the northwest to be truly open for business we need the infrastructure to access these resources.

The last item I'd like to discuss is energy. You may have heard, or maybe noticed, that Ontario's energy costs are uncompetitive. We rely on two programs to mitigate

the impact of these uncompetitive costs, these being the industrial conservation initiative and the Northern Industrial Electricity Rate Program. During the last recession, our mill was one of the few in northwestern Ontario to remain open.

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The Chair (Mr. Stephen Crawford): One minute.

Mr. Erik Holmstrom: This would not have been the case if it were not for these programs. It is our belief that these programs offer value to our region. The repercussions of altering or removing these programs should be thoroughly understood.

The forest industry is critical to the health of northwestern Ontario. We are proud of our history of sustainably managing Ontario's forests, and we're governed by some of the most stringent policy in the world. With competitive conditions and consistent long-term, reliable access to wood, we will continue to be the cornerstone of northwestern Ontario's economy and to support hard-working families.

Thanks for your time. We're willing to answer any questions you may have.

The Chair (Mr. Stephen Crawford): Thank you very much. We'll start with the government side. Ms. Skelly.

Ms. Donna Skelly: Thank you for your presentation.

I'll jump right in, because I'm sure my colleagues have questions as well. Regarding the CFSA and the ESA: Are you suggesting that the ESA is redundant?

Mr. Erik Holmstrom: Yes, I am. It has been quite clear in the past. Like I say, for 25 years we've been governed by one act. Having two acts to govern forestry doesn't make sense because they've got competing interests. As well, we've had successful results under the Crown Forest Sustainability Act. Our ask is that you recognize equivalency, that the ESA does not supersede the CFSA and that the CFSA allows for the interests of species at risk. We should continue to be governed by that act.

Ms. Donna Skelly: What would you say to people who are concerned—critics of your stance of following the CFSA and not the ESA—that you're simply watering down the protections of endangered species?

Mr. Erik Holmstrom: The science behind the CFSA is to manage a forest the way Mother Nature would. Mother Nature doesn't isolate specific species. When you do that, you hurt other species.

The science behind the ESA is unfounded. How species get on the list, by COSSARO, isn't driven by science; it's not driven by fact. I believe that the Crown Forest Sustainability Act is our best shot at truly managing for species at risk.

The Chair (Mr. Stephen Crawford): Mr. Downey.

Mr. Doug Downey: Yes, just a question on the roads program: The money invested, I think of as capital. Is it building of roads, is it maintenance of roads or is it both?

Mr. Erik Holmstrom: No, it's building roads. It's for building what we consider primary roads and branch corridors. The forest industry builds all the tertiary roads and in-block roads, but really it's for those main infrastructure arteries within the forest.

Mr. Doug Downey: So if we pay and we build those roads, who then maintains them operationally, on a go-forward?

Mr. Erik Holmstrom: We maintain the roads. There are some crown forests where the crown will maintain the roads, but generally we maintain the roads.

Mr. Doug Downey: Okay, thank you.

The Chair (Mr. Stephen Crawford): Mr. Cho.

Mr. Stan Cho: Thank you, Mr. Chair. How much time do we have?

The Chair (Mr. Stephen Crawford): A minute and 20 seconds.

Mr. Stan Cho: Okay. Thank you, gentlemen, for being here, and thank you for your presentation.

Just a quick question: Can you comment on some of the other maybe regulatory burdens, in comparison to other jurisdictions, that your industry faces and how we can help with that?

Mr. Erik Holmstrom: Matt, do you want to take that, since you've worked in many provinces? Why don't you take that?

Mr. Matt Wilkie: From what I understand, not having worked in other provinces, speaking within our other company operations, Ontario does have, you could say, a really robust system for forest management. We are world-class. We probably have the most restrictive system for forest management on crown lands in the country, which is a good selling point for certification for our customers of our products. But there definitely is, we feel, some red tape that could be cut, for sure—and still do a good job managing the forest.

Mr. Stan Cho: Okay.

The Chair (Mr. Stephen Crawford): Twenty seconds, Ms. Skelly.

Ms. Donna Skelly: Thank you. I think it would be helpful if you could actually list the pieces of red tape that you're referring to and forward it to me. I'll give you my card. We have an actual department that is focusing on that, and I would like you to share them with me.

Mr. Erik Holmstrom: Yes.

The Chair (Mr. Stephen Crawford): Okay, thank you. We'll now move to the opposition side for questioning. Mr. Arthur?

Mr. Ian Arthur: Thank you so much for your presentation. I have a couple of things. Just to clarify Ms. Skelly's point about the ESA being redundant: You were referring specifically to areas covered by the CFSA, not as an act in its entirety for other parts of Ontario.

Mr. Erik Holmstrom: That is correct: just with respect to forestry itself.

Mr. Ian Arthur: Thank you. In terms of the CFSA, do you have examples of species at risk that were managed well? Do you have any case studies for the effectiveness of that regime?

Mr. Matt Wilkie: A really good example might be the Eastern whippoorwill. It was listed, I believe, as threatened by COSSARO a few years ago, which requires quite a large buffer and some modifications to operations and timing restrictions, which severely affect some of our operations. That species prefers to have clear-cuts with

adjacent mature forests. They nest in mature forests; they forage in clear-cuts. So, by restricting cutting and harvesting near these areas, you're actually restricting the future habitat, because as the stuff grows up and gets more than 10 years old, they don't hang out there anymore, because there aren't as many insects hanging out as the forest ages.

The other problem with the Eastern whippoorwill is, there was very poor information on its population before it was listed. It's a nocturnal species. It's very hard to detect, other than for two weeks in June. On a full moon, you go out at midnight and you put sound meters out. Everywhere we have gone to look for them, they are there. Before it was listed, the database showed that there three occurrences from Thunder Bay to Manitoba. Literally everywhere we go, they are there.

That's the one thing that Erik had mentioned: By focusing on a single-species approach versus a holistic ecosystem approach, you're not going to be creating the habitat in the future for these critters.

Mr. Ian Arthur: I'm just shifting gears a little bit here. On the funding for the rural roads: Would you just speak to the importance of those roads for fire suppression, and the role that that funding plays in protecting northern Ontario during fire season?

Mr. Erik Holmstrom: Yes, it's absolutely critical. Our forests are considered remote areas. Many times, for forest firefighters to access that area—as well, they rely on the forestry companies and the operators themselves to help support the initial attack on forests. I don't know how many times our guys put out fires last year. There were probably about five cases when people in the bush saw a fire start up and were able to extinguish it initially.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Ian Arthur: Perfect. Thank you.

I wondered if you would spend a little bit more time on the Northern Industrial Electricity Rate Program and, if the electricity subsidy programs were to disappear, what sort of competitive disadvantage you would be at from that.

Mr. Erik Holmstrom: We benefit about \$1 million a year by reducing our uncompetitive electricity costs. ICI is about another \$4 million a year. So, as I mentioned, during the recession, when every mill was bleeding money, to lose another \$5 million a year on top of what we were already losing could have been the tipping point where our mill was shut down.

The Chair (Mr. Stephen Crawford): With that, we've utilized all our time. Thank you very much. We appreciate it.

Mr. Erik Holmstrom: Thank you.

Mr. Matt Wilkie: Thank you.

ONTARIO FOREST INDUSTRIES ASSOCIATION

The Chair (Mr. Stephen Crawford): Our next presenter is the Ontario Forest Industries Association. Good afternoon. If you could just state your name for the record, and then you can get right into your presentation.

Mr. Ian Dunn: Good afternoon. My name is Ian Dunn. I am a registered professional forester and the director of forest policy at the Ontario Forest Industries Association. For over 75 years, OFIA has represented forestry companies ranging from large, multinational corporations to family-owned businesses that operate world-class facilities across Ontario, investing heavily into research and development, such as engineered wood products and the bio-economy.

Northwestern Ontario is very important to me on a personal level. Eight years ago, I moved from Toronto to Thunder Bay to begin my career in forestry. Here, I met many of the forestry workers, First Nations and municipal leaders that I continue to work with so closely today.

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I am proud of the role forestry plays in the social, economic and environmental fabric of Ontario. Last September, OFIA held our annual Queen's Park forestry advocacy day, and we welcomed this government's announcement on developing a provincial forestry strategy.

For generations, Ontario's forest sector has been putting wood to work responsibly and playing a vital role in every region of Ontario, connecting and supporting over 172,000 hard-working men and women. By sustainably harvesting 0.2% of Ontario's renewable resource, we generate a domestic economic impact of \$15.5 billion and total wages of \$2.3 billion.

To ensure we keep mills open and people working, we encourage government to include the following recommendations in the 2019 budget:

Number one—and you've heard this already—is the importance of public investment into crown road infrastructure. Roads are a vital component of society. Without roads, development and economic activity critical to the modern quality of life would have been impossible. Roads remain central to virtually all forest uses today. Roads built and maintained by the forest sector for the province are crown infrastructure. In 2007 the Provincial Forest Access Roads Funding Program was established, at \$75 million annually, to invest into this public asset. This program is not a subsidy or a handout, but a way in which this government invests in northern and rural infrastructure. We cannot open this province up for business without public investment into infrastructure. These are crown roads, on crown land, used by multiple users and sectors that drive economic development in this province. We conservatively estimate that the forest sector matches every dollar invested into the program by government. However, this year, late into the operating season, this program was cut to \$54 million, a 27% reduction. I've actually brought a number of letters with me today from small businesses and contractors describing the importance of the program and the impact on jobs. The bottom line here: OFIA is asking the government to restore and maintain the public access roads funding program at \$75 million annually.

Our second item: a made-in-Ontario commercial loan guarantee program. Because of US tactics and the collection of unjust tariffs, Ontario lumber producers have

more than \$100 million in deposits sitting at the border that they cannot use to support their operations or their employees. We are asking the province to establish a commercial loan guarantee program that supports Ontario producers with working capital and prevents the illegally collected duties from interfering with the normal course of business, similar to the one that was announced on January 10 for Algoma Steel.

Lastly: a long-term and permanent solution to managing species at risk. Ontario's forest sector is committed to managing and protecting species at risk. However, we remain concerned about the potential social, economic and environmental impacts of current and proposed species-at-risk policy, and in particular the current direction being proposed for caribou. Last year 50 professional foresters signed and stamped a letter to the province stating the need to extend the current section 55 regulation under the Endangered Species Act to the forest sector and re-evaluate this government's approach to managing species at risk.

A legislated responsibility of every professional forester is to serve and protect the public interest. That is why it is so disturbing to me to see the public being intentionally misled by the environmental lobby into believing that Ontario and the forest sector are doing nothing for species at risk. In reality, Ontario is recognized as the leader in caribou conservation across the country, being the only jurisdiction in the world that sets long-term, landscape-level and enforceable targets for caribou habitat, and there are indications that the approach is working. Forestry is the only industry I can think of that actually prevents deforestation and creates wildlife habitat.

Further reductions to wood supply through an unworkable ESA policy or achieving the federal government's disturbance targets on caribou are unacceptable, and there is no reasonable assurance that this will do anything to help caribou. For example, the impacts of climate change on caribou are becoming more well known. A study in 2017 predicted a complete loss of boreal caribou in Ontario if winter temperatures increase by more than 5.6 degrees Celsius by 2070, regardless of any changes to human activity. Any policy intervention will likely be ineffective when viewed from this perspective. Despite this uncertainty, an MNRF socio-economic impact analysis determined that up to 2,800 jobs could be lost and eight mills could close as a result of the province meeting this federal disturbance target. We are encouraged that this government wants to consider the latest science and develop a path forward that will keep people working while conserving caribou. It is our expectation, however, that Ontario will not enter into a conservation agreement with the federal government that will result in lost jobs and lost opportunity.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Ian Dunn: In order to avoid catastrophic socio-economic impacts, we need permanent recognition that our act, the CFSA, is an equivalent process to the ESA, while sending a strong message to the federal government that Ontario will manage our own resources.

We welcomed the government's ESA discussion paper, and OFIA will be providing constructive feedback on how Ontario can achieve positive outcomes for species at risk while keeping people working.

In closing, in order to achieve the full potential of Ontario's renewable resource, OFIA has made five constructive recommendations which are outlined in the package we have provided you. Thank you.

The Chair (Mr. Stephen Crawford): Thank you very much. We're going to start with the opposition side for questioning. Ms. Shaw?

Ms. Sandy Shaw: Thank you. I guess I have a question about caribou.

Mr. Ian Dunn: Okay.

Ms. Sandy Shaw: In general, just to be clear, when you're talking about the ESA, you're talking specifically about the forest industry. Your recommendations are not for the Endangered Species Act in general, just for the forest industry. That's right?

Mr. Ian Dunn: In that discussion, yes, for sure. It was directed at the forest industry.

Ms. Sandy Shaw: Okay. What I'm actually interested in is your comment on climate change and the impact that this has on caribou. I even liked the comment that you're very encouraged that the government wants to consider the latest science. My question is, does your industry have any commentary on the impact of climate change on your industry and how it intersects with what you're proposing here, which is changes to the ESA?

Mr. Ian Dunn: Yes. I think our industry has a very positive role to play in climate change and future carbon sequestration discussions. Every cubic metre of dried wood has about one tonne of carbon dioxide stored within it. You heard earlier Matt Wilkie and Erik Holmstrom from Weyerhaeuser talking about the dynamic nature of our forests, particularly in the boreal region that we're in today. Fire is really the main driver of disturbance on the landscape, and has been for thousands and thousands of years. Species, including caribou, have evolved to live with those disturbances.

So really what forestry can provide in that conversation is—instead of letting these areas burn, we as a society have made a decision to fight and combat these fires. What we can do as an industry is then harvest that wood, that standing timber that otherwise would decay and burn, and we could lock that carbon up in long-term solid wood products. I think there's a very positive role for our sector to play in that conversation.

Ms. Sandy Shaw: So you think that will have an impact—we talked about the increase in global warmth. You're talking about the global temperature, what you've referenced here, the increasing temperatures. That's what you think is—

Mr. Ian Dunn: Yes. If we can harvest more, if we can harvest and regenerate our forests, if government can provide a competitive environment for us to do that, I think it can absolutely play a positive role in slowing down an increase in temperatures. I'm not sure of the exact numbers of that, but I think there is a good role for us to play.

Ms. Sandy Shaw: And then you said you're going to provide constructive feedback to the government on how they can achieve positive outcomes for species at risk. I'm wondering if any of that constructive feedback will include a consideration for the climate change crisis, essentially, that we're facing.

Mr. Ian Dunn: Absolutely. Really, with the previous government, one of our big concerns was that the species-at-risk policy did not incorporate climate change in species-at-risk prescriptions. Even currently with the federal government there's very little—

The Chair (Mr. Stephen Crawford): One minute.

Mr. Ian Dunn:—discussion on the impacts of climate change on future species-at-risk habitat. That's absolutely a conversation that we want to have.

Ms. Sandy Shaw: Okay. Really quickly, my last question would be around the crown road infrastructure and the forest access roads program. You're asking for the government to reinstate the 27% reduction that they've made to that program. Based on what we've been hearing from people on the importance of this crown road infrastructure—even the previous speaker talked about it being used as the first line of defence for forest fires—do you think this is adequate? Rather than just restoring the previous funding, do you think there should be increased funding for this program?

Mr. Ian Dunn: That's a good question. It was established at \$75 million annually in 2007. When you account for inflation, it really should be around \$90 million, but our ask is to restore it to \$75 million.

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The Chair (Mr. Stephen Crawford): Thank you very much. We'll now turn to the government side for questioning. Mr. Roberts.

Mr. Jeremy Roberts: Thanks so much for being here. A question that I'm interested in: When we talk about the regulatory burdens—obviously, Quebec and British Columbia have large forestry industries. Are there some things that other jurisdictions are doing well that are putting Ontario at a disadvantage?

Mr. Ian Dunn: For sure. We've mentioned Finland in the past, and other Scandinavian countries. In terms of society at large, we often look to those countries in terms of being progressive on a whole range of social issues. But they really are world leaders when it comes to forestry, and they've set very ambitious targets in terms of harvesting. I believe, by 2025, they want to be harvesting 80 million cubic metres of roundwood. Currently in Ontario, we only harvest around 15 million cubic metres, and we're three times the size, geographically, of Finland. We're looking to Finland. They've actually developed a national forestry strategy. When we saw the announcement from Ontario that they were going to be doing something similar, we were very excited by that announcement.

We're looking to Finland in the future in terms of regulations. Forest roads, for example—we were talking about fires. Last year was an above-average fire season. I think there were about 200,000 hectares burned, which is above average. There have been years where it has been

much more. But in Finland in 2017, only 470 hectares of forest burned. We do that in an afternoon in Ontario. Really, a big reason for that is because of this comprehensive network of forest roads. They act as a fire break. If there's no fuel there anymore, the fire will naturally break at those points. But also in terms of response and attacking the fire, it's much easier for crews to use those roads.

Mr. Jeremy Roberts: Interesting. Another question for you: I represent a riding in Ottawa—of course, a traditionally lumber-driven town. One of my constituents owns the last lumber mill in Ottawa. It's called the WoodSource. He was in my office recently, talking to me about mass timber structures. He wants to look at seeing how he can better enter that market. Is that something that a lot of the companies that you represent are interested in exploring further?

Mr. Ian Dunn: I think mass timber for someone such as myself, who lives in Toronto, is a really good way of generating support for our sector, because people see how beautiful the product is. They understand the good environmental story behind the product. It's something that, as an industry association, we're very excited about.

Our members produce, primarily, dimensional lumber that goes to the United States. In terms of opportunities for existing companies in Ontario, I'm not entirely convinced yet, but I've heard that there is a lot of interest in Ontario companies entering that market. I think, no matter what, it's a good-news story.

Mr. Jeremy Roberts: Thank you.

The Chair (Mr. Stephen Crawford): Ms. Skelly.

Ms. Donna Skelly: A really quick question: The number of fires—are you seeing an increase or a decrease? Is it static?

Mr. Ian Dunn: I don't have the numbers, offhand. But the common assumption is, with climate change, we're going to see increasing numbers of forest fires and increasing severity of forest fires. I think the annual average is typically around 100,000 hectares. Last year, we burned around 200,000 hectares, but in 2011 we actually burned over 600,000 hectares. In the 1980s, I think it was much higher than that, even. It naturally fluctuates, but that is a concern moving forward with climate change; absolutely.

Ms. Donna Skelly: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much. We appreciate your presentation.

NORBORD INC.

The Chair (Mr. Stephen Crawford): I'd like to call up our next witness: Norbord Inc.

Good afternoon. Welcome. If you could just state your name for the record, you can get right into your presentation. I'll give you a one-minute warning.

Mr. Rick Ksiezopolski: Okay. Rick Ksiezopolski, woodlands manager, Norbord Inc.

I'd like to welcome the Standing Committee on Finance and Economic Affairs to northwestern Ontario. It is good to see this committee in this part of the province.

Norbord Inc. owns an oriented strand board mill—it's OSB, the acronym—located in Barwick, Ontario, which is a community about 250 kilometres south of Dryden, in the Rainy River district. I always say that the mill is located just off Yonge Street, about 1,800 kilometres from Toronto.

I'd like to provide you with the background to our company and facility, after which I'll address some specific concerns for the budget deliberations.

Norbord Inc. is the world's largest manufacturer of OSB. The company's head office has always been based in Toronto since its inception in 1987, when it was originally known as Noranda Forest Products Inc. We have 17 plant locations throughout the United States, Canada and Europe, and the company employs 2,600 people.

The Barwick manufacturing facility was constructed as a greenfield mill 22 years ago. We directly employ 150 full-time positions and support another 180 jobs through our independent logging contractors. This, combined with indirect and induced job multipliers, makes our manufacturing facility one of the largest employers within the Rainy River district.

We spend over \$65 million annually within local communities. Our employees and the independent logging contractors live throughout the district and contribute to the tax base of many small municipalities. We have an excellent workforce and are proud of our safety and environmental performance. These achievements are made possible by the dedication of all team members—where 25% of our employees have been with the mill since its inception.

Generally, OSB manufacturers focus on commodity products. We have and continue to invest to diversify from commodity production. Over 50% of our production is specialty value-added products such as premium flooring and other products used in remanufacturing. This focus resulted in the Barwick facility being one of nine mills that ran continuously through the last recession.

This focus also creates economic and employment opportunities for local communities. For example, through a long business relationship with Manitou Forest Products, OSB is remanufactured into a finished product called rim board. This facility is located on Rainy River First Nations and employs 25 people within the community.

I would now like to discuss specific concerns for your budget deliberations.

It is important for any mill to continually improve its competitive position through ongoing capital investments in order to compete with newer, larger, low-cost facilities. Any increases in taxes, fees, stumpage, utilities or changes to government policies have an impact on this competitiveness and on our future investment and employment. We are supportive of any initiatives that reduce regulatory burden or decrease red tape.

The largest input cost in the production of OSB is wood cost. The Barwick facility has very high wood costs when compared to the rest of North America. All elements that make up our total wood cost are high. These include

stumpage, roads, forest management fees, forest renewal fees, logging and trucking costs. Government policies directly impact these costs. The OFIA, of which we are a member, has just made a presentation that addressed some of these impacts, and we support the OFIA's position on those matters.

Specific to our facility, we understand that the Treasury Board continues to ask the Ministry of Natural Resources and Forestry, the MNRF, to increase minimum stumpage paid for poplar and white birch from 61 cents a cubic metre to \$4.64 a cubic metre. This 760% increase is unconscionable and would jeopardize all our past efforts and investment.

Further, as part of the stumpage system, a residual value formula is applied that results in the highest residual value rates in Canada. We ask that the MNRF adjust the formula to make it competitive with other jurisdictions.

The MNRF's Provincial Forest Access Roads Funding Program continues to be essential for the development and maintenance of northern Ontario's infrastructure. These crown roads provide numerous benefits not only to the forest sector but to all sectors and communities. Funding for this program is as important to northern Ontario as subway funding is to Toronto. Recently, the funding was reduced to \$54 million, with an immediate impact on the forest sector. We ask that this funding be restored and maintained at the \$75-million level.

Energy costs greatly affect the production costs of an OSB mill. Currently, Ontario recognizes the impact of high energy and electricity costs on the forest sector and established the Northern Industrial Electricity Rate Program, or NIER program. It is critical that the NIER program remains permanent to protect the economic viability and competitiveness of not only our mill but of all forest product manufacturing facilities.

We are also very concerned with the expected impact that the Endangered Species Act will have on the forest industry. We request that reasonable and workable prescriptions and socio-economic impacts be considered in its implementation, as it could lead to mill closures and job losses if we do not balance these factors.

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Finally, I would like to bring to your attention a significant challenge facing the industry. We continue to experience a shortage of labour for the various trades—and also the capacity issue with respect to forestry workers, truck drivers, equipment operators, contractors, and even the professional management staff, like foresters, forest technicians and even managers in mills as well. This is being compounded by an aging workforce. A recent survey by FPIInnovations showed that 40% of qualified drivers are older than 56 years of age.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Rick Ksiezopolski: We ask that you be mindful of this specific labour shortage and consider any training opportunities that can target these skills and the people shortage.

I thank you for your time and thank the committee again for coming to northwestern Ontario.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much.

We'll start with questions from the government side. Mr. Piccini.

Mr. David Piccini: Thank you very much for your presentation. That's excellent.

I just wanted to build a bit on the training and retraining. I'm from the Ministry of Training, Colleges and Universities, so it's very fitting. I hope that the ratio change and the changes we introduced there with the CoT help as a first step. But going forward, I wanted to give you an opportunity to elaborate a little more on that: some linkages with colleges, universities—

Mr. Rick Ksiezopolski: I think if you go back to the root cause of the problem, there's a lot of out-migration from these communities that are there—if you look at even my son, where he ends up going to school and where he wants to live and everything like that. We've got to somehow make it attractive for the kids, to say that it's not a bad profession. Right now, I think the industry and the colleges have to get out there and say, "Yes, there's a career here," because I think it has changed enough where they don't see that the career is there in front of them.

So it's through the training—that's where the colleges would come in—and there are other programs out there. NORCAT introduced a training program over at the Atikokan centre. What they did is they took operators from various communities and got them all trained up so that they were ready to go to work.

Those are the types of things where we have to help identify and provide some guidance for the students, the people, nowadays and then point them the right way and say, "Hey, there's a career here," because they don't believe there is. If you look at the history of the industry and how cyclical it is, they're not seeing that. So a little education on all of our behalf—it's not just a government thing. The industry has to step up as well.

Mr. David Piccini: Excellent point. So a culture change, I think, too, from a young age—and with the seven streams. I look forward to the NDP's support on the recommendations. I know in my community it was that culture change that was talked upon in our broad education consultation. Thank you for that. I appreciate that.

The Chair (Mr. Stephen Crawford): Mr. Cho.

Mr. Stan Cho: Thank you for your presentation, sir. It was well received.

You brought up a great point, which is that your industry must remain competitive. That's something that we really placed a priority on in our government.

I was wondering if you could elaborate on some of the regulatory burdens that you would specifically like us to work on that you may see in your industry.

Mr. Rick Ksiezopolski: Take a look at anything like—I know we do say the reporting. There's a whole bunch of reporting requirements there. My maintenance manager, when he completes the form, gets extremely frustrated with them, because they know the information. He's reporting again on—using that as an example.

If you look within the forest management process and some of the things like annual work schedules and those

types of things, that could be streamlined quite a bit. There are examples of that.

There are other things, like in the forest management process, where some of the guidelines and how they're applied to our business is something that could be streamlined, if you want to say.

Mr. Stan Cho: For the sake of time, I will offer what Ms. Skelly offered earlier: If you would like to give us your specific recommendations on the regulations, please get in touch with us.

Mr. Rick Ksiezopolski: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Any further questions? No? Okay. We'll move on to the opposition side. You have four minutes. Ms. Shaw?

Ms. Sandy Shaw: I've asked the previous testimony around the Provincial Forest Access Roads Funding Program. It's funny: Maybe we could possibly extend the Yonge Street subway all the way up here. That could be a solution, do you think?

Mr. Rick Ksiezopolski: No, no.

Ms. Sandy Shaw: We've been hearing about the significance of this crown infrastructure and the roads themselves. We heard, which was new to me, that they are the first line of defence for defending against forest fires. There has been a cut to that programming, and there have been a number of testimonies asking it to be restored to the \$75-million level. We just heard from your industry rep that it may require as much as \$90 million. Can you comment on the adequacy of the funding even before it was cut?

Mr. Rick Ksiezopolski: That was the funding that was established. I probably won't comment on the adequacy because I'm not familiar with the impact on the entire province. Again, I know what it does to our current programs and what it does in terms of the access that it does provide. Certainly, it's critical when I look at the mining companies that are using the roads, when I look at all the other recreational users and those types of things. It is important from a program point of view. But in terms of commenting on how much and the value, I can't answer that.

Ms. Sandy Shaw: That's fair. Thank you.

I'll defer to my colleague.

The Chair (Mr. Stephen Crawford): Mr. Arthur.

Mr. Ian Arthur: Thank you so much for your presentation.

Would you elaborate a bit on the stumpage fee, the 760% increase? What rationale is there behind that? That seems extraordinary.

Mr. Rick Ksiezopolski: It's historical. Before the Great Recession in 2008, what happened was, the \$4.64 was being charged to the sector, and then it was reduced to the 61 cents right now. Every year, the treasury keeps asking for that poplar and birch—and it's a risk to our business because it comes up every year. We don't know what's going to happen. They've never charged it, but it's always asked at treasury about that amount. As a user of poplar and birch, it's one of the critical variables in our costs.

Mr. Ian Arthur: To me, that seems particularly hard. If you're unsure each year, it's going to be hard to plan, as a business, what your costs are going to be, if there's the potential for that increase every single year and you can't do long-term forecasts.

Mr. Rick Ksiezopolski: That's exactly it, yes.

The Chair (Mr. Stephen Crawford): Any further questions? We have about a minute and a half left, if you like. Ms. Shaw.

Ms. Sandy Shaw: Do you want to just talk about the Northern Industrial Electricity Rate Program? We were hearing about the high cost of hydro and how that's a significant input cost for your industry.

Mr. Rick Ksiezopolski: It makes up, say, about 5% of our costs. A similar impact in terms of the dollars per year—it helps reduce it, because it's like a 25% reduction off the high electricity rates we face. Certainly, it makes you more competitive because—remember, we compete with various jurisdictions. We know the cost of these other locations because we have mills located there. Therefore, you already know where you fit competitively, because you're not comparing to outside; you're comparing to your own internal costs. So it helps us be competitive.

The Chair (Mr. Stephen Crawford): Thank you very much. We appreciate it.

DOMTAR

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenters, from Domtar.

Good afternoon. If you could just state your names for the record, you can get right into your seven-minute presentation.

Ms. Bonny Skene: Welcome to Dryden. We appreciate the committee coming to our community to hear these submissions.

My name is Bonny Skene. I'm the regional public affairs manager for Domtar. Domtar operates the pulp mill you see across the way. I'm here with my colleague Jack Harrison, who is the forestlands manager here at Domtar.

Domtar operates two mills in the province of Ontario: one in Dryden; one in Espanola. In Dryden, we make market pulp. This is pulp that goes into your everyday consumer products, like paper towel and tissue and that kind of thing. In Espanola, we make speciality paper products like muffin cups, surgical gowns, food wrappers—your Subway sandwich wrapper, that kind of thing.

In Dryden, we employ about 340 people in the mill and about another 400 in related forestry operations jobs. In Espanola, we employ about 550 people at the mill. So in these small, remote communities, we are a big employer and have quite an anchoring economic impact in the regions where we operate.

I'll give you a little bit of context from our company's standpoint. We are two mills in Ontario of 13 company-wide; nine of those are south of the border, and four are in Canada. So we have the ability to look across jurisdictions at competitiveness information and cost of operating, and

I can tell you that our two operations in Ontario are challenged by the high operating cost structure in Ontario. We know that because we operate in other jurisdictions. Many of our recommendations today are going to have to do with the idea of ensuring the competitiveness of those two operations, which anchor so much economic activity in northern Ontario.

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Getting right into it, we'll look at what we're calling "priorities for success." These are things that we think are imperative that the government consider as you consider budget and other decisions.

Ensuring a reliable, cost-effective, sustainable wood supply is top of the list. Of course, without wood fibre, we don't have the consumer products that we make and everything that flows from there.

Two key points under that are ensuring that the Crown Forest Sustainability Act continues to serve as the underpinning for sustainable forestry in the province, and maintaining the current commitment—and we recognize the roads funding program has been reduced, but when we say maintaining the commitment, we're looking at that year-over-year commitment that was in place of \$75 million annually. This is a crown resource. It's an important piece of northern and rural infrastructure, and we have a rather recent and important example of this. This infrastructure provides, certainly, access to forest resources, but also to remote communities. We have a recent and good example of the failure of a culvert on a primary forest access road cutting off access to a regional First Nation community. Our company then was in the position of having to reroute the road and fix the culvert to provide access to a community that is home to hundreds of people. So I think we need to think of the road infrastructure as a crown resource and as a public infrastructure piece. It's important access for all of the good reasons that you've already heard today, but I would also add that, based on that concrete example.

We also think a balanced policy to protect endangered species while ensuring a thriving forest industry—we hope that's an income of the 10th review of Ontario's Endangered Species Act, which was just announced on Friday and which we welcome and plan to have input to. We plan to engage very actively in that most welcome process.

We also think, like the speaker just before from Norbord, that there is an outage with regard to residual value stumpage, a process that is currently a barrier to our competitiveness in the province. Right now, the pricing mechanisms are not responsive enough to market conditions. What is happening is we are being held accountable by our customers for discounting and other things, and that's not being reflected in the stumpage calculation, which means we're paying higher than was intended by the program. That inadvertent error is actually causing a very significant competitive challenge to both Dryden and Espanola.

We also think it's important to continue to offset uncompetitive industrial electricity pricing for trade-exposed sectors in northern Ontario. Quite simply,

continue to support the northern industrial electricity rebate program.

The Huron Central rail line is important—absolutely critical—to our Espanola facility. That’s where we think a long-term sustainable solution is absolutely critical for that rail system.

We’ve heard a lot about reducing red tape and regulatory burden. We have provided some concrete examples to the minister’s office and others in terms of where we think there are good opportunities to work on that kind of thing. We welcome it. We’d be more than pleased to provide additional information, but in general, we think that there are opportunities with respect to the forest management planning process, the review processes, the annual work schedules, access roads, and gravel pit management and use. We have some very specific examples that we think would be implementable and practical to do that.

The Chair (Mr. Stephen Crawford): One minute.

Ms. Bonny Skene: Finally, we are looking forward to the consultation on the made-in-Ontario climate change plan, in particular as it relates to any legislative and regulatory changes imposing emission standards for the pulp and paper sector. We do want to avoid a scenario where the federal backstop program will increase tremendously the cost at each of Domtar’s Ontario mills. So we need to recognize that the sector is energy-intense. We already have a low-GHG—greenhouse gas emission—footprint. We’re among the best performing, from a GHG standpoint, in the world, and we have a limited ability to make further reductions because of what has already been done in the sector.

With that, I’ll thank you very much for your attention.

The Chair (Mr. Stephen Crawford): Great. Good timing.

We’ll start off with questions from the opposition side. Mr. Arthur.

Mr. Ian Arthur: Thank you so much for your presentation. I’d like to talk a little bit about the climate change plan, and the different climate change plans that you are likely going to have to adapt to. Can you talk about the investments or any steps that were already taken under the cap-and-trade program to prepare for this, and how difficult it might be to have to do the same work twice?

Ms. Bonny Skene: In terms of what was in place previously, I can’t point to anything specifically that was done as a result of that program but, rather, steps that were taken by the sector and by our operations over the years.

If you look at the last slide in our presentation, just for context, 80% of our energy requirements are already generated with renewable cogeneration. We have 50% less greenhouse gas emissions per tonne of product than the average competitor in Asia. We’ve already achieved a 30% reduction in GHG emissions, and we represent, as a sector, about 2% of Ontario’s industrial greenhouse gas emitters.

So, to your point, there has been an awful lot done. I think the difference under the former program was that there was some recognition of biomass as a renewable,

GHG-neutral fuel source. We would very much like to see that in the Ontario-made plan going forward. That makes a big difference for a sector that is so highly self-sufficient from an energy standpoint, relying on a green fuel.

Mr. Ian Arthur: Okay. Just so we’re clear, the made-in-Ontario environment plan has already been released and has been considered insufficient by the federal Liberals in terms of a climate action plan. So there is, as far as I understand, little recourse. Your industry would have little recourse under the new regime unless, once again, Ontario goes back to the drawing board and comes up with something different again.

Ms. Bonny Skene: Yes. Recognizing the biomass piece is key.

Mr. Ian Arthur: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Ms. Shaw.

Ms. Sandy Shaw: Thank you. Could you provide me with some more information about the rail service that affects Espanola? I’m not sure whether that was cut or cancelled.

Ms. Bonny Skene: Sure. It’s a service provider called the Huron Central Railway. It’s a short-line operator that provides rail service between Sault Ste. Marie and Sudbury. Last year, they needed some infrastructure investment, and the provincial government announced some funding under the NOHFC, I believe—

The Chair (Mr. Stephen Crawford): One minute.

Ms. Bonny Skene: —for one year of infrastructure while they looked at a long-term sustainable solution. We very much see ourselves as being part of whatever role we need to play in that solution, but we do need recognition that rail service is critical to the Espanola operation.

Ms. Sandy Shaw: What you’re saying is that that was sort of a stopgap funding?

Ms. Bonny Skene: I think so, while they look at alternatives and service providers and how that can be made to be a sustainable rail line.

Ms. Sandy Shaw: It’s specifically a rail line that delivers for industrial purposes?

Ms. Bonny Skene: That’s right. It’s inbound materials to the Espanola facility—Algoma Steel also uses it; Eacom also uses it—and then outbound products.

Ms. Sandy Shaw: Thank you.

The Chair (Mr. Stephen Crawford): Thank you very much. We’ll go to the government side for four minutes. Ms. Skelly.

Ms. Donna Skelly: Thank you for your presentation. I’m quite keen to learn more about the comparisons of how difficult or challenging it is, or not, to do business in Ontario versus some of the other jurisdictions where you have plants—if you could provide some comparisons.

Ms. Bonny Skene: Are you thinking of some of the regulatory items, that kind of thing?

Ms. Donna Skelly: And costs associated with the movement of goods etc.

Ms. Bonny Skene: Maybe I’ll just rely on my colleague Jack to talk about fibre costs and some of those things.

Mr. Jack Harrison: The stumpage costs in Ontario are considerably higher than in other jurisdictions—two to

three times, if you go across North American products. For starters, that's extremely expensive.

The regulatory burden on managing the forest, as well as preparing the forest management plan, as well as trying to implement it—we have a lot of regulatory burden. Two examples would be the Aggregate Resources Act and CFSA. Both say you only have a 10-year period for a gravel pit, and then it's expired and you can't use it. If you don't have gravel to access fibre, you don't have wood supply. So there's an arbitrary 10-year limit on it. We operate in the forest for 100 years, so if we operate a gravel pit for 10 years and there's lots of gravel left, we can't access it anymore. It's just an arbitrary ruling. Those are examples that add a lot of burden and costs to our operations, needlessly.

1400

Ms. Donna Skelly: Can you share with us and be more specific in terms of other jurisdictions and perhaps the advantages to having plants in other jurisdictions, and why that is so versus Ontario? What are the comparisons?

Mr. Jack Harrison: If you compare Manitoba and Ontario, it's more highly regulated in Ontario. In our company, we appreciate that. We want a sustainable forest; we want to be able to prove to our customers and to ourselves that we're managing a sustainable product that's sourced from a sustainable area. Manitoba has very little regulation, so we're not always sure that they are managing the forests for the best interests. But their costs are not in proportion to ours. We could manage ours in a regulatory framework far cheaper than we are today; it's just the burden that costs that additional amount.

Ms. Donna Skelly: Okay. Anybody else?

The Chair (Mr. Stephen Crawford): Mr. Downey?

Mr. Doug Downey: I'm particularly interested in the short line. Ms. Skelly was born in Capreol and raised in Capreol, and my father drove trains for a living—so I've been by that Espanola plant several times going onto Manitoulin. You've referenced that it's a short-term solution while you find a sustainable solution, or while one is found. What's the high level—why is it unsustainable? Is there just not enough product using it?

Ms. Bonny Skene: I think it has a lot to do with the downturn in the sector over the last decade. Volumes are down. We're doing our part but, really, there are three main industrial users on that line: Algoma, Eacom and Domtar. But what we see, as Domtar, is that as there's uncertainty around rail service, our customers are then asking us to ship by truck because they need the certainty of delivery. So the spiral starts the wrong direction. If we can somehow assure customers of a long-term, sustainable rail service, we see customers migrating back to rail. They prefer it, as long as their deliveries can be made on time.

So I think there is a really important perception around the sustainability of rail, and we all know it's the right environmental choice. If the rail were to stop providing service, it means—I believe there was a calculation between all three customers—about 40,000 additional trucks annually on the roads. From many standpoints, that doesn't make sense either, so it's within that context that we're looking for a sustainable solution.

The Chair (Mr. Stephen Crawford): Thank you very much. We appreciate it.

TOWNSHIP OF IGNACE

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter: the township of Ignace. Good afternoon. If you could just state your names for the record, you can get right into your presentation. It's seven minutes, and I'll give you a one-minute warning.

Ms. Marshalina Reader: Good afternoon. Thank you for the opportunity to be here this afternoon and that the township of Ignace was able to travel to Dryden to participate in this process. My name is Marshalina Reader. I'm the CAO/clerk with the township.

Ms. Leisel Edwards: My name is Leisel Edwards. I'm the economic development project coordinator.

Mr. Donald Cunningham: My name is Donald Cunningham. I'm the mayor of Ignace.

The Chair (Mr. Stephen Crawford): Okay. You can start.

Ms. Leisel Edwards: I'll just give you some background. In 2017, the economic development department of the township of Ignace presented and received direction to move forward with our Community Investment Readiness and Capacity Building Master Plan. The master plan includes 11 economic development projects and is designed to take the community to the next level of long-term community growth and sustainability. Given the progressive decline in population and business activity which is characteristic of northern communities in Ontario, and the fact that the community still faces pressures that challenge its long-term sustainability, the continued ability of the township to grow and develop with the hope of becoming a vibrant community hinges on planning and implementation of the proposed master plan. So our issue right now is with reducing the red tape and accelerating the funding application process.

If I give you a recap of the application timeline—for instance, we applied to FedNor for eight projects from the master plan and were invited to phase 2 in November 2017. A draft phase 2 application was submitted in January 2018 for review and feedback. Then we received a first round of questions when the application proceeded to the project analysis stage in February 2018. After much deliberation, we were given the green light to submit at the end of February, and this initiated the funding analysis stage in early March. Even then, there was a lot of back and forth and clarifications needed pertaining to other projects, apart from those FedNor was asked to contribute to. This resulted in a repetition of information shared. Due to the back and forth, the township had to revise its project start and end dates. For instance, the initial starting period for our economic development strategy and tourism strategy was in Q2 of 2018, while our workforce development plan and community capacity study was expected to commence in Q4 of 2018. Due to delays, these projects have not begun. The township was advised that the

funding analysis was presented to the program manager in April 2018, but didn't receive feedback or word of the status of the application until late August 2018, and this was just to inform us that one of the projects was no longer eligible. This led to a shift in operations and project priorities. After receiving advice on how to readjust the ask, our next correspondence with the officer was in late November 2018, asking for more details and clarifications. Again, we had to repeat some information that we shared previously. This past month, January, we were informed that the funding officer has now been advised to include the entire master plan, not just the eight—well, seven projects now, because one was no longer eligible—but now 11 projects within the master plan, to provide a broader scope or to bolster the strength of our application. This is a year after the initial application was sent in.

So the effects of these delays or red tape in receiving funding—obviously delays delivery of the project. The commencement to completion of projects beyond their contracted or initial start and end dates—or over fiscal periods. These projects are time-sensitive. They're urgent and need to be embarked on to ensure sustained growth and development of our rural community, especially in light of proposed projects in the Ignace area—we're talking about the NWMO project and the Ring of Fire. It also affects planning and development of the projects. We often have to source alternative funding to bear the costs of the project. We have to shuffle monies around; we have to reallocate monies from one project or spending stream to the other. We have to consider alternative procurement options, which hinders the progress of other projects. And then, because these projects are shared—for instance, there is collaboration with funders, where it might be FedNor, NOHFC, NCIR etc.—there are expectations to start projects on the initial dates listed in the application process, so it gives us a little pushback sometimes from the other funders when we don't start on that date.

Ms. Marshalina Reader: Further to that, we would like to share with everyone that we're a fairly new administration at the township of Ignace, and we've undertaken a tremendous strategy here with this economic development plan—overall plan. The area has been known to be depressed for some 35-plus years, but everyone on the new administration—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Marshalina Reader: —is motivated to keep going. So what we have undertaken also is a reducing red tape facilitation and management plan for us to better understand what type of red tape issue is this. Is this something internal that we're administratively not achieving? But we just wish to communicate with you that the red tape effect on our local economic development plan right now does bog us down at times with our very, very limited resources that we have in Ignace.

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The Chair (Mr. Stephen Crawford): Thank you very much. We'll start with questioning from the government side. Ms. Skelly,

Ms. Donna Skelly: Thank you for your presentation.

You spoke in very general terms about projects. Can you just give me an understanding of what these projects entail?

Ms. Leisel Edwards: As I said, we have 11 projects, some of which are a business gap analysis where we identify feasible business opportunities for the community; a community improvement plan—we didn't have one of those before—which establishes incentives to support and promote economic development, workforce development, tourism and economic development strategies. We had two interns, a planner and myself, the economic development coordinator.

It's a list of projects to revitalize the community because, as Marsha said, for the past 35 years, we've been in a decline. We were initially a forestry and mining community. Because of the decline of those industries, we have been stagnant. This is really about building the right capacity to attract investment and become investment-ready.

Ms. Donna Skelly: And if I may, it appears you're frustrated with the process, in a nutshell. You have a list of potential pieces of red tape that you believe we should be looking at. Is that correct? Have you got a list with you?

Ms. Marshalina Reader: No, actually what I brought with me is the plan right now, the approach. Our administration wishes to undertake a strategic and purposeful approach to identifying what the red tape issue is and if it's something that we can collaborate with our regional partners to address before bringing it forward in a budget consultation process such as this. Because we're looking at the myth that red tape is just created by government, when sometimes an organization creates its own red tape.

We're going back to the beginning to try to ensure that anything that we bring forward is credible and that there has been meaningful strategy and purpose in reaching that conclusion.

Ms. Donna Skelly: I would like to extend, as we have to presenters previous, that if you identify issues that you believe are duplicative, regulatory policies that you believe are duplicative and onerous that we could address, please forward them to me. I will give you my card, and we will share them, of course, with the committee as well.

I don't know if MPP Downey wants to—I know that this is his area of expertise—ask you questions as well.

The Chair (Mr. Stephen Crawford): Mr. Downey.

Mr. Doug Downey: Yes, I'm keen to see the red tape stuff. I haven't heard what kind of diversification. As you're trying to attract other interests, if the others are in decline—is it re-engaging mining and forestry, or is it diversifying into completely different areas?

Ms. Marshalina Reader: We would like to diversify with businesses because we would like to get away from that one-industry town that Ignace has been, and then that industry leaves and we have nothing and our infrastructure is in trouble and everything.

The red tape issue that we have is the ability to move forward and the tremendous strain on our resources. To your point, Ms. Skelly, regarding duplicative systems and

processes: That is what Leisel was referring to with the FedNor application process. Perhaps it's also a matter of us not understanding that bureaucratic process. Because you receive the application and it's in paper. More information is requested, but there is not much of a communication in terms of why do we have to keep coming back to you to ask for that information.

Mr. Doug Downey: That's a good point. Navigating the system can be very difficult.

The Chair (Mr. Stephen Crawford): We'll go to the opposition side for questions. Mr. Mamakwa.

Mr. Sol Mamakwa: I'm from Sioux Lookout, so I drive through Ignace quite a bit, back and forth from Thunder Bay. I used to spend summers there during the hockey school with my boy.

I know what revitalization projects that you have—I know there's no hockey. In the summertime, it's fairly busy—and same with the fishing. I know you used to have a mill. I don't know if it's still there.

What types of other projects, community revitalization projects, are you looking at? I'm just wondering. Can you elaborate on it?

Ms. Leisel Edwards: For instance, in regard to the tourism strategy, our aim is to make Ignace a unique tourism destination or premier tourism destination, establish packages among the tourist operations and even have an annual event that will draw people to Ignace.

We know that in summertime, our population usually doubles, but we want to have something annually that they come to Ignace for. Then with the businesses that we'll establish and promote and encourage, it will be a year-round revitalization and investment and business activity, rather than just in the summer.

Mr. Sol Mamakwa: Okay.

The Chair (Mr. Stephen Crawford): Mr. Arthur.

Mr. Ian Arthur: It sounds to me like you've kind of encapsulated some of the problems facing many small, rural towns in Ontario, and in particular in the north, and that you're really asking about how we, as a committee, can help a small town thrive again, and what we can do in the government to make sure that these towns don't disappear from Ontario, that the place you call home and that you care about continues to be valued and continues to add to the fabric of our province.

You talked a bit about red tape, but would you talk about some of the programming that's important for small towns, or steps that you would like to see outside of the reduction of red tape, to help your town grow and to attract different types of businesses and diversification? Because red tape is certainly a component of that, but I think that simply introducing businesses to your town, or as a potential destination—what sort of support do you need, outside of what you've been talking about so far, to help you move forward?

Ms. Marshalina Reader: For us right now, I would say, one of our major issues is lack of resources, meaning human capital. We have a lot of projects on the go. Because there were significant issues at the township before, we have inherited a situation where there is a lot of

work that we've had to undertake to move forward financially, simultaneously addressing the issues of the past while still keeping the wheels moving with moving forward.

We've committed to a plan. We've communicated this to our community. They're excited; they want to see us moving. We have to start showing results.

It's not necessarily a long-term investment from the government that we would ask for, but just initially—our tax base does not allow for us to have the resources. That is common with all municipalities, which is why we're hoping to collaborate more, even looking at approaching some of the other municipalities to look at this red tape reduction plan or approach, to see what we could collaborate on and present together.

There are a lot of business incentives, even, if we could have some programming. Our Main Street Revitalization Initiative funds, which we were very, very appreciative to receive, are not enough in terms of when you look at other—if you look at Toronto, those businesses are thriving. They have the money, probably, to invest more in their own revitalization, but the amount of funds that they receive—so it's just those comparisons and that funding per capita that sometimes leaves us—

The Chair (Mr. Stephen Crawford): Okay. Thank you.

Mr. Ian Arthur: Thank you very much.

The Chair (Mr. Stephen Crawford): We appreciate your presentation.

Ms. Marshalina Reader: Thank you.

OPSEU

The Chair (Mr. Stephen Crawford): We'll move on to our next presenter. It's Ed Arvelin. Good afternoon, and welcome.

Mr. Ed Arvelin: Good afternoon.

The Chair (Mr. Stephen Crawford): Could you just state your name for the record, and then you can get right into your presentation.

Mr. Ed Arvelin: My name is Ed Arvelin. I'm with an executive board for OPSEU. I also sit as the chair for the mental health division within OPSEU, representing about 8,000 members across the province. I sit on their health care division council committee as well, which represents just under 30,000 members in health care across the province.

Thank you, and welcome.

I have been a nurse and an RPN for the last 22 years. I've worked in all sorts of health care, from cardiac step-down in acute facilities to long-term private and municipal-run long-term-care facilities. I currently reside in a community support program with the mental health.

I'm going to touch on a few other sectors as well with my role as an executive board member with OPSEU and some of the ministries and sectors that we represent here in the north. So, as Region 7, we represent members from Wawa through to the Manitoba border and as north and south as we can go—some of the northern airports and all across.

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With that being said, there are a number of very pressing issues that are affecting the north in particular that I bring to your attention. The first is a dire lack of community and housing supports for those with developmental issues. OPSEU represents more than 11,500 vulnerable developmental service workers across the province. This sector is in crisis and it struggles to cope with a systemic wait-list for supportive housing and day programs for adults with developmental disabilities. There is a chronic shortage. People are languishing on wait-lists. They're ending up in jails, psychiatric wards or unregulated private homes with deplorable conditions.

The increase in direct funding to families hasn't solved the problem. In fact, it has created a new problem: a growing workforce of precarious workers. For example, 75% of developmental service workers represented by OPSEU are part-time and have no pension or benefits, leading to high turnover rates and instability. What the developmental service system needs is a massive overhaul. The longer the government takes to do that, the longer the wait-lists will become and the more people will be victimized for their disability.

I also bring to your attention the crisis in corrections. Our correctional facilities are dangerously packed to the rafters, and in some cases are literally crumbling—the Thunder Bay Jail, for instance. Almost all our institutions are at least 40 years old. Staffing levels haven't begun to keep up with the surging inmate population or its complexity in terms of gangs and mental illness and addictions. That means that more officers and inmates are targets for ever more violence, and the rate of PTSD among officers is twice that of police and firefighters. We've seen that with the recent hostage-takings in Thunder Bay and in the Kenora Jail. In the Kenora Jail, the correctional officers and the support staff are still reeling from that incident. It's tough; it's very, very tough.

The crisis extends to community corrections, where probation and parole officers are completely overwhelmed by massive caseloads. That means that dangerous offenders who are released on probation or parole have no supervision, putting the safety of communities in serious jeopardy.

Far more correctional officer positions must be created. New institutions must urgently be built. Old institutions need to be retrofitted to accommodate rehabilitation programs and mental health and addictions supports, and training for inmates and staff must be put in place.

When we talk with our correctional officers, a lot of the time because of the lack of staffing or the ratio of staff to inmates, they don't have the ability to have yard time or recreational therapy or other supportive services, because they don't have the staff to do that. They don't have the ability to put people in those places, so bringing in more staff to assist with that will actually help in the criminal cycle in bringing in the rehabilitation piece of it. They have talked and there has been training with mental health nurse specifics in the jails. There's one in Toronto where they actually have a mental health wing in conjunction

with CAMH. It has been somewhat effective, but it still needs to be, in my opinion, looked at globally. I'll get into that when I talk a little bit more about mental health.

While I'm on the subject of mental health and addictions, the problem is that the extent of mental health and addictions is not just in our jails but in our communities throughout the province. OPSEU represents almost 8,000 members in the mental sector and tens of thousands more who work with people in mental health and addictions. They know that the problem is getting worse day to day, and yet funding has been slashed.

Over the next four years, the mental health care sector will get a boost of \$190 million annually instead of the \$525 million; that's a \$335-million cut. Their plan for funding is \$1.9 billion over 10 years—that's over 10 years. That's not enough to keep up with the demanding costs for mental health services.

I talked with some individuals down there before across the province; there is no health without mental health. Without having properly funded services, support programs and early intervention strategies dealing with mental health, we will continue the cycle of expenditures and the increasing costs of mental health. Putting money into it initially will help the long-run and service needs for workplaces dealing with mental health and addictions issues and such like that. Investing in it beforehand, before it becomes systemic in any department, will be helpful.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Ed Arvelin: Okay. Supportive housing is another mess. In Thunder Bay alone, as a case manager, there's no place to go. A lot of them are in slums. They are in one-bedroom apartments with shared bathroom accommodations. It is deplorable. I would never want to see my family members in one of those homes. I would fight for that.

The key to housing is to put community supports first, specifically with mental health. We're working off a 1980s to 1990s restructuring commission plan: from archaic thinking. We have evolved. We are 40 years now in the future and still working off some of those plans. Yes, the LHINs have come through and given, "Here's what we like to look at and talk about"—but no real hardline restructuring or look at mental health services in northwestern Ontario has taken place, in my opinion and in working in there in the last 22 years. We need to have a review of mental health services and housing strategies for mental health and addictions.

Private—

The Chair (Mr. Stephen Crawford): Okay, thank you. Sorry, we have to cut you off there. We have limited time. We're going to start questions now from the opposition side. Ms. Shaw.

Ms. Sandy Shaw: Thank you. Thanks, Ed, for your testimony today. I just wanted to focus a little bit on, if you could—here we've heard a lot from the hospitals and how they are often the first line of refuge for people struggling with mental health and addictions. We've heard about the increase in this area of methamphetamine use here as well. We even heard from people from ETFO who were in schools, dealing with mental health crises that they're not funded or equipped to deal with.

Can you talk a little bit about the funding that's been announced? I also realize that it's a \$330-million cut from what was in the budget previously and it's over a 10-year period. Can you just talk, in an ideal world, about what you would like to see that funding increase to and how you would like to see it implemented? Where would you like to see these services delivered?

Mr. Ed Arvelin: Thanks for the question. I really think the services and the funding need to be reviewed, but to put actual dollar amounts on each community—I think that's where the focus needs to happen, because every community is different.

The system, when I started in the Lakehead psychiatric facility 22 years ago—since then that hub has been divested. We no longer exist. The acute-care beds are in our acute hospitals now. The system is fragmented.

We need to review each community and each agency to see what's happening, where the funding is needed, where the structure is needed and where more front-line service providers need to be put in place to help support those in need with that service. The dollar amount needs to increase; it always does. Again, having to put that money out in front will help in the long-term investment for those people dealing with those issues.

You talked a little about the opioid and substance issues in Thunder Bay. It's epidemic. You see it in all communities in northwestern Ontario. We used to have programs that were specific to—concurrent disorder programs running with mental health and addictions specifically. Since then, the LHIN has directed and said that they're no longer needed because they run methadone clinics. They're private, for-profit clinics, methadone-run clinics. Those services aren't adequate. Those services don't provide OTs, social workers, psychologists. They're often over-the-counter dispensing units. So when we're dealing with issues like that around opioid dependencies and addiction issues, those services are way underfunded and should not be in the hands of private, for-profit clinics.

Ms. Sandy Shaw: Thank you. I think my colleague has a question for you.

The Chair (Mr. Stephen Crawford): Mr. Arthur.

Mr. Ian Arthur: Thank you so much for your presentation and for drawing attention to these issues.

I just want to talk a bit about affordable housing and the scale of the shortfall that we have. In my community alone, we're facing a shortfall of about 3,500 units for a community of 120,000 people, and we're easily not the worst. What do you see as a way forward with affordable housing?

The Chair (Mr. Stephen Crawford): One minute.

Mr. Ian Arthur: I won't take—go for it.

Mr. Ed Arvelin: So the current system now is they're looking to kind of transition supportive housing that's currently in place. The problem is, at the endgame when they're supposed to transition out into the community on their own with minimal staffing or people supervising, those situations are few and far between to find affordable housing that people who are usually on ODSP can afford, which are in low-income areas, high-gang areas, and

where a lot of substance—where people are taken advantage of because of the stuff that they're on.

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We have a system block. In supportive housing, we normally have titration down into that. Currently, I've seen people in long-term, high-support housing for their whole lives, because there is no place to go and transition out to get that optimal care, or that potential that they have to live independently within the community.

The Chair (Mr. Stephen Crawford): Thank you. We'll now move to the government side for questioning. We'll start with Mr. Piccini.

Mr. David Piccini: Thank you very much for your presentation. I really appreciate you taking the time to present to us today.

I just wanted to build a bit on the system you mentioned. In addition to the funding for mental health, and the funding for our health care system writ large, you talked about a fragmented system. In your opinion, what role do the LHINs play in that? Have they contributed to that?

Mr. Ed Arvelin: Initially, in my opinion, starting out, the LHINs seemed to be like an arm's-length, "Here's the money. Go to your community, find where the resource is needed, and go forward from that," and an arm's-length, "No, this is taken care of." It allowed others in government to say, "Okay, they're taking care of it. Let's support; let's go through," and it created an extra layer. I get what you're saying there.

In working with the LHINs—because we had to; that's where the funding structure was coming from for most of our funding, through their programming—it has been a lot better. I find, truthfully, in northwestern Ontario, the rounds that they have done with the LHINs in circulating—I found their last one was very scripted in what they wanted to hear and the different activities they tried to present to us. It was very much curving to exactly what they wanted to hear. They might not like to hear me saying that, but I did attend two of those meetings and I did express my concerns around that.

Mr. David Piccini: You'd prefer to see it go to a front-line service provider, though, the expertise—

Mr. Ed Arvelin: Truthfully, I came out of the OPS prior to a divestment, back when it was under the Ministry of Health and Long-Term Care and it was direct conversations with the minister and the ministry. Having those conversations, I knew exactly what was happening on the front lines and what was working. We had that direct link to those individuals who had the chance to make the changes through legislation. To me, if that goes back to where that was at, I would be good in seeing that, because that way it gives us a direct voice to the people making those decisions.

Mr. David Piccini: Just another quick one, and I'm conscious of time for other colleagues here. When you talked about affordable housing—of course, we've launched those consultations and have looked at ways to reduce the red tape to get new builds in. But I think you hit on an important point, and a good point, about ensuring

that as you transition out, it's not just in low-income neighbourhoods where gang rates are higher, where you have other issues. So you support mixed use, gentrified use, into new builds, to incorporate a certain percentage for affordable housing?

Mr. Ed Arvelin: Absolutely. What has worked in the city, in Thunder Bay, where I'm from, has actually been apartment style. I know they've worked with Northern Linkage in procuring two different apartment-style housing complexes where we've been able to put a medium-support service in there—

The Chair (Mr. Stephen Crawford): One minute.

Mr. Ed Arvelin:—so they have independent living but they still have the supportive services through registered nurses and social workers in that housing to help assist with their day-to-day reminders of medications and their everyday living.

That structure, I think, may help, because it isn't in areas where it's disadvantaged and where people are being taken advantage of money-wise because they have to live there, because there's so little opportunity to look around because of the stigma that's also attached with mental health and addictions.

Mr. David Piccini: Thank you.

The Chair (Mr. Stephen Crawford): There's just 20 seconds. Mr. Downey.

Mr. Doug Downey: Just a question on correctional services: Is there a regional pattern to addictions in the different areas?

Mr. Ed Arvelin: Absolutely. The president of the Thunder Bay district jail has basically said what they're dealing with is that 90% of their population have a mental health and/or addictions diagnosis. That's how bad it is in the Thunder Bay area. In Kenora and Fort Frances, I couldn't tell you, but I assume it would be roughly about the same.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much. We appreciate your presentation.

Mr. Ed Arvelin: Thanks.

REV. TOMMY BEARDY MEMORIAL
WEE CHE HE WAYO-GAMIK
FAMILY TREATMENT CENTRE

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter, William Kaminawash. Good afternoon.

Mr. William Kaminawash: Thank you.

The Chair (Mr. Stephen Crawford): Welcome to our committee. If you could just state your names for the record, that would be great. You'll have seven minutes, and I'll give you a one-minute warning.

Mr. William Kaminawash: Thank you. My name is William Kaminawash. I work for Rev. Tommy Beardy Memorial Family Treatment Centre. It's located about 250 air miles from Dryden. Right now, we have winter road access but that's only temporary, for about two months.

I want to state that we have been in operation for 28 years. We're unique in that we're a total family treatment

program. One of the strengths of our organization is that we've had accreditation for about five years now, and also we have certified Indigenous addiction specialists on staff. Our staff: I would say that 100% speak the native language. We have a total understanding of the social milieu of the people up north, so we understand what their needs are.

Being in the addictions field for many years now, having worked in Toronto as well in the shelter system, and also in the Northwest Territories, we do have an understanding that addictions stem from trauma, and they stem from a part of their life where it affected them. When you're affected by trauma, you lose your ability to move forward. You're paralyzed.

The treatment program is geared to work with the family and the individual who has the addiction issue. We follow the person-centred model by Carl Rogers. Rather than focus on the negative behaviours of a client, we focus on their uniqueness and we build upon that. At the core of addictions are self-esteem issues. We find the uniqueness of the client and build from there, and get them to start thinking and telling their story. Once they do that, they're just starting their healing journey.

We just recently started our land-based funding through the Ministry of Indigenous Relations and Reconciliation. With this new program, it really upped our game in terms of helping our clients, because we take them out on the land. That's where originally the First Nations people come from. That's how we survived; that's how we lived. We're able to get funding through community and social services, which worked with the Ministry of Indigenous Relations and Reconciliation. I think that's a bold step that they did. Like I said, people need healing. Before we can get into healing, we need to address the core issues.

One of the things that I must mention is, once our clients go through the program, they become functioning members of our people. In our brochure, we have one client there who is, I believe, from Poplar Hill. He's actually a band manager now. I just recently ran into a person who was in our program two years ago. He started working in a mine, the Musselwhite mine, and he's still doing that.

This is why I'm in this field: Our people need healing, and our people need that guidance, and getting job-ready is important.

What I want to also stress is that we have deficiencies in our program. We are actually working on trying to obtain funding for a new treatment centre. Our building was built 28 or 29 years ago, and it's starting to fall apart. It was designed for the day, but now we have also our daycare, for example, and our tutor program in the classroom. They're small. They're not designed for Ontario specs, where we have to have a certain size and washroom facilities for the daycares. Well, we don't currently have that. We have one main hall. We all share one washroom facility.

1440

Having gone through accreditation—that was also identified. We are accredited through the Canadian

Accreditation Council. We meet standards that—we're just kind of unique. Not too many people up north—not too many organizations obtain that designation as well.

I'm going to do a quick slide change. I want to show our area. This shows the NAN territory. We are governed by a board of directors who represent tribal councils. Overall, we work under NAN, the Nishnawbe-Aski Nation territory. There are 49 First Nations, and we all take clients from those First Nations—not at the same time, because we're limited. We rotate; we have a system where we try to spread our ability to help people. On occasion, we do go into Manitoba and Quebec, on a needs basis.

There's our building. It has been in operation—well, it says "25," but it's 28 years now. The goal of the centre is to strengthen native communities by providing residential programming that will provide support and guidance to substance abusers and their families to understand and overcome their challenges.

One of the things that I've noticed too is that the addiction issue within First Nations is growing. It's trickling into Thunder Bay, Dryden and Sioux Lookout, which is why we're requesting a bigger building so we can accommodate more people. Unfortunately, the problem is getting bigger, and we need to provide a better facility by expanding. Right now, we currently look after five families. We want to look at working with eight families, for intake.

The Chair (Mr. Stephen Crawford): Thank you very much for that. We're going to start questions now from the government side. Mr. Cho?

Mr. Stan Cho: I'll give it to Mr. Roberts first.

The Chair (Mr. Stephen Crawford): Mr. Roberts.

Mr. Jeremy Roberts: Thank you so much for being here today, and thank you for the work you do. It certainly looks like you had to travel far to be here with us today. I know that the committee really appreciates that.

I had two questions that I wanted to ask you. First, I know that in Ottawa, where I'm from, one of the consistent things that I hear from groups advocating within the addictions sector is that families often don't know where to go when they're dealing with addictions challenges. What sort of resources, be they online resources, or hubs at different health care centres—what different strategies have you guys tried to employ to make sure that people know that there are options within the north to turn to in these situations?

Mr. William Kaminawash: Often, our families are referred through NNADAP workers. There's a NNADAP worker in each community. Often, we get referrals from them. There are some doctors that do refer families to our treatment centre too. So we're not limited.

We have a waiting list of about 70-plus families for intake, which is quite high. So we don't really have to promote; NNADAP workers do it for us. They send the families to us.

Mr. Jeremy Roberts: Excellent. My second question: We, as a government, have committed to investing \$1.9 billion into mental health and addictions services. Are there any specific areas that you would want to see that

money being directed to? Where are the big gaps here that we could make sure that we're providing you guys with the support you need?

Mr. William Kaminawash: Certainly, mental health is a big area that we need to address. More and more, I think we see that being a prominent issue in our First Nations communities. Definitely, having the resources and the staff to handle that segment of the First Nations people I think would be very important and crucial.

Mr. Jeremy Roberts: Great; thank you. I turn it over.

The Chair (Mr. Stephen Crawford): Ms. Skelly.

Ms. Donna Skelly: Thank you for your presentation. It looks like an incredible facility. I'm curious: What are the unique challenges that you face providing mental health and addictions services to First Nations people in the north versus other parts of Ontario?

Mr. William Kaminawash: The biggest thing is probably the lack of resources. We do have family counsellors who address the addictions issues and the trauma in the person. But there are some more serious mental health issues that we're not trained in, and that's where I would like to see psychologists, psychiatrists and that kind of resource. I think that would be a big impact that we really need up north.

Ms. Donna Skelly: Would it be possible and would it be beneficial to have access to these professionals even via online type of service? Would that help, or is it the in-person treatment that you think you need?

Mr. William Kaminawash: That's a good question. We do have a conferencing system and also have a state-of-the-art SMART Board. But we can't use it because we don't have the—

Ms. Donna Skelly: Internet.

Mr. William Kaminawash: Internet. There is a line that goes up to Muskrat and all the way up to Sachigo Lake, where I'm from—fibre optic. But we need to connect into that system.

Ms. Donna Skelly: Would it help—

The Chair (Mr. Stephen Crawford): Sorry; I have to cut you off. We have to move on.

We'll continue questions from the opposition side now. Mr. Mamakwa.

Mr. Sol Mamakwa: Thank you for the presentation.

Certainly, this centre is part of my riding. I know some of the programming that's there. I understand the issues, the lack of resources that are available. I know the issues that you're dealing with. I know we had issues with the intergenerational impacts of residential schools. We see it, and that's what we're dealing with at the community level.

I also understand as well with respect to Ralph Rowe, who was an Anglican minister, who was a Boy Scout leader, who had his own plane, who molested 500-plus boys in our region. That's what we're dealing with. The healing that is required, the mental health—I think that when we have a six-unit facility to service 50,000-plus people, we need to catch up.

I'm just wondering: What type of facility are you asking for, how many units—I heard you talk about another facility that you wanted to upgrade.

Mr. William Kaminawash: Yes, we currently have a five-unit facility. One unit is designed for our youth programming. We're looking for eight family units with four bedrooms, because a lot of families now are not small families; they're huge families. In order to accommodate and do justice in our treatment program, we need a proper set of facilities, including the classroom, the daycare and a youth room as well.

These units: They're all self-contained, meaning that they have a fridge and stove. We want the families to learn. Part of the program is to learn how to cook and have proper hygiene and dietary plans in their life. That's part of our treatment program. We teach them.

Structure is the biggest thing in our program. You've got to have structure. Even I have to be in bed at a certain time. If they have kids, they have to have structure; they have to be in bed by 8:30 or 9 o'clock, depending on how old they are.

1450

The Chair (Mr. Stephen Crawford): One minute.

Mr. William Kaminawash: To answer your question, we need a better facility, to do a better job.

The Chair (Mr. Stephen Crawford): Mr. Arthur.

Mr. Ian Arthur: I was struck by what you called land-based healing or land healing, and the need for culturally appropriate healing mechanisms. I'm dealing with a constituent right now with a WSIB claim. She was an OPP officer and is Indigenous, and she's seeking coverage for culturally appropriate healing, but WSIB doesn't recognize that. Would you just talk about that quickly?

Mr. William Kaminawash: We're fortunate in that we're on the leading edge in that department. We do have expert outdoorsmen who have lived off the land. We also have our own Aboriginal land-based policy. We have that because, as part of our accreditation, we need to have something in place for that. It covers safety, gun handling, boating, proper attire. It's quite unique; it's about an inch thick. We were able to work with various experts in the field that have done this for years, and they helped us.

The Chair (Mr. Stephen Crawford): Thank you very much. We appreciate your testimony.

Ms. Sandy Shaw: Point of order, Chair: I'm just wondering if we could get a copy of the presentation. Would that be possible?

The Chair (Mr. Stephen Crawford): If you have a presentation, you would be more than welcome to hand it out to everybody.

Mr. William Kaminawash: We do have somewhat of a briefing note, but I only have one copy. I can get copies and hand it out to you.

The Chair (Mr. Stephen Crawford): You can submit it to the Clerk. Thank you very much.

SUNSET COUNTRY MUSEUM NETWORK

The Chair (Mr. Stephen Crawford): We'll move on to our next witness. It's the Sunset Country Museum Network.

Mr. Braden Murray: Good afternoon. Welcome.

The Chair (Mr. Stephen Crawford): Good afternoon. If you could just state your name for the record, you can get right into your presentation for up to seven minutes.

Mr. Braden Murray: My name is Braden Murray, and I'm representing the Sunset Country Museum Network. I'd like to welcome everyone to Dryden.

Good afternoon. My name is Braden, like I said, and I'd like to thank you for this opportunity to present on behalf of the Sunset Country Museum Network. We represent 11 museums across our region:

- Atikokan Centennial Museum;
 - Dryden and District Museum;
 - Chapple Museum;
 - Ear Falls Museum;
 - Rainy River District Women's Institute Museum;
 - Fort Frances Museum;
 - Lake of the Woods Museum, where I'm from;
 - Red Lake Regional Heritage Centre;
 - Sioux Lookout Museum;
 - Kay-Nah-Chi-Wah-Nung Historical Centre; and
 - the Northwestern Ontario Sports Hall of Fame.
- That's Thunder Bay to Kenora.

I'm proud to be a museum professional in Ontario's north and to be part of a vibrant and growing sector connecting with the rest of the province. In the north, we provide vital tourism infrastructure for visitors from Ontario, of course, but also Manitoba, the United States and growing markets from Europe and also Asia. People are quite excited to come and see what the north has to offer. Museums in the north are growing and enhancing our offerings to meet this demand, but with investments from the province, we can be much more effective in increasing and improving tourism offers, creating and retaining good jobs, and building distinct communities to live, work and invest in.

We recommend the following areas of investment: digital access and engagement; workforce development; investment and reduction of red tape in annual funding; and centralized museum services.

We understand that the provincial government wants to improve the efficiency and effectiveness of Ontario's government programs and to create jobs, build tourism and improve education. Those are our goals as well. Ontario museums can assist the government in this area.

About two million students per year visit Ontario museums. We have 700 museums in Ontario; that's twice as many as McDonald's restaurants. Museum websites in Ontario see three visits per second; that's 93 million visitors a year. That's a lot of visitors.

Museums are essential educational resources in the north, whether in our northern museums or through digital connections through other places in the province. For example, just this morning I helped a staff member from Pelican Falls First Nations High School load up our exhibit "We Were Taught Differently," which is on the residential school experience in northwestern Ontario. They're taking it to their school, and they're going to have it on display for the next week, with an accompanying program. You

guys know this: Buses are expensive, so we're taking the museum to the students.

Museums contribute to economic development in Ontario; 83% of smaller Ontario cities have found cultural amenities, like museums, effective in helping to renew their downtown.

Museums in the north are also good employers. The good jobs they provide prevent out-migration of young professionals. Museums and heritage works assist in attracting and retaining a local skilled workforce and providing opportunities in the north.

If I was driving down the road here in Dryden, and I had my wife in the car and the kid was in the back, and we were trying to decide if we were going to move here, we wouldn't be looking at potholes or how good the sewers are; we'd be asking about things like the museum, libraries, the rec centre etc. That's what young families are looking for. The Dryden museum is excellent, by the way.

Investments in museums create good jobs in local communities and sustain economic development. From a tourism standpoint, museums in Ontario welcome more than 7.5 million visits by tourists per year. That's considerably more people than will attend NHL games in Ontario per year.

Museums are vital tourism assets in many communities, especially in northwestern Ontario. If you're being rained out and you can't go fishing, the museum is a great place to go. It's a great place on a sunny day too, actually.

Museums develop essential skills for our staff, as well, in client-centred visitor relations. That's just another way that we benefit our workers and benefit society.

Circling back, we have four major recommendations for investments that will fundamentally change the way our sector operates for the benefit of the public of Ontario. Museums want to have an enhanced contribution. Our institutions have been able to maximize the value of every dollar of funding we've received in the past. We now present a critical opportunity for Ontario to further succeed.

Number one: We recommend an investment in digital access and engagement in Ontario museums. A \$5-million investment will make Ontario museum collections more accessible in support of education and tourism, especially in smaller museums in rural and northern communities. The catchment area of the Sunset Country Museum Network is approximately double the size of Belgium, so digital access and digital engagement are really great ways to get info to the people.

It will make tourism in Ontario more attractive through effective online marketing, trip planning resources and compelling museum offerings. Two out of three tourists use the Internet to choose their destinations, making online presence essential for tourism marketing. Honestly, I'm surprised it's only two out of three. I would have thought that that was even higher. Certainly, it will be going higher in the future. This investment will improve the online presence of Ontario's museums by building digital infrastructure and skills across museums and regional museum networks, like the Sunset Country Museum Network.

It will make our sector more efficient through coordinated and connected efforts to improve access by the public.

Number two: We recommend an investment for workforce development to create jobs in museums and tourism. A \$5-million investment will create good jobs across the province by using museums as a training ground for young and emerging professionals. Museums already serve to build tourism-focused skills, but with that investment from the government, museums can be a stronger asset in closing Ontario's tourism labour gap.

Third: We recommend a public investment and reduction in red tape for annual funding for community museums. This is one that hits near and dear to my heart.

For community museum funding, we ask that government can make museums more efficient—

The Chair (Mr. Stephen Crawford): One minute.

Mr. Braden Murray:—by reducing the administrative burden of annual reporting required from community museums.

We have six recipients of the Community Museum Operating Grant, four of which only have one staff member. It represents a mountain of paperwork and red tape on top of regular museum duties. Less time, paperwork and red tape can make more time for school programs and visitors.

Lastly, to modernize Ontario's museum sector, we recommend an investment in centralized museum services. This \$4-million investment will increase public value in the contribution of museums to economic development, tourism, education and employment.

Museums in the north have shared needs and challenges. Centralized services will make us more efficient and help us to connect with the rest of the province, strengthening connections between Ontario museums in the north with shared assets, shared resources and online investment.

Investments in connecting our library services have shown to be very, very successful. We want to emulate that with Ontario museums.

Connecting Ontario museums together will reduce duplication and reduce time spent on activities like purchasing and systems development. Transferring responsibilities to a centralized element will create more time for effective museum work: curating, education and helping students.

The Chair (Mr. Stephen Crawford): Thank you very much. We'll get right into questions. We'll start with the opposition side. Ms. Shaw.

Ms. Sandy Shaw: Thank you for your presentation. I just wanted to let you know that I come from—my family makes a living, and I've raised a family in the arts and music industry, so I really recognize the value of that sector.

Mr. Braden Murray: Excellent.

Ms. Sandy Shaw: I'm a proud liberal arts grad, by the way.

Also, in Hamilton, we've invested significant resources in the understanding that the arts, culture and music industry is a significant economic sector, so we treat it as such

in Hamilton, understanding that funding for the arts and for museums, in fact, generates an economic return. We get that. We understand that proposition.

1500

Mr. Braden Murray: Yes, absolutely.

Ms. Sandy Shaw: Maybe in that vein you could talk a little bit about—it's my understanding that libraries have had a frozen budget for 10 years or so, and I think museums are the same, that you've had frozen budgets. Can you just talk a little bit about the impact of your budgetary restraints in relation to the uptake that you have, the impacts that you have on the economy and also the number of people that are coming to museums and using museums as a source of education and also, as I say, how it contributes to the economy?

Mr. Braden Murray: Sure. The main source of provincial funding for Ontario museums is the Community Museum Operating Grant. That has had a funding freeze since 2008. Actually, there are museums now that qualify for it that can't actually access it, unfortunately.

As far as actual hard numbers going back to that time, we just started to realize in 2012 and 2013 that it's much easier to make a compelling argument with really hard numbers, especially, like I said, emulating the library way of doing things and them being very successful.

As far as the numbers go from 2008, the reality is, we just don't have those. What we do know is that now, just going back to some of the numbers—two million school visits per year. Myself, in the past semester I was in the schools 10 times, with multiple classes each time.

As far as hard numbers from 2008, when the funding freeze happened, the reality is that we don't know. We do know that the freeze in funding has been—not a cut, but we're doing more with less, essentially, just because of inflation and those sorts of things. So there's pressure to do more with less, and I think we're doing a pretty good job of it.

Ms. Sandy Shaw: It sounds like it. Although you say it's not a cut, if you're serving more people and more students and you're not factoring in any kind of inflation or increased costs—museums pay their hydro bills as well. In fact, that essentially is like a cut, if you're not keeping pace with that. That would be my opinion of this.

This government recently made significant cuts to the Ontario Arts Council grants, and particularly in this area, the Indigenous Culture Fund was cut. I know that that's not necessarily maybe where you get some of your core funding, but particularly in this region, can you talk about how that would have an impact on the whole sense of the importance of this cultural realm for this community?

The Chair (Mr. Stephen Crawford): One minute.

Mr. Braden Murray: Sure. Certainly any time we have an opportunity to partner with other community groups and with government at every level, we take advantage of that. We love to get in a situation where we have our government friends come along and bring their chequebook. Any time we have an opportunity to—

Ms. Sandy Shaw: Good luck.

Mr. Braden Murray: Yes. Any time we have an opportunity to partner with various groups, that's a good thing.

Ms. Sandy Shaw: Sure. The cuts to the Indigenous Culture Fund: Will you see an impact of that in this community?

Mr. Braden Murray: At the Lake of the Woods Museum and in the Sunset Country Museum Network, I'm not immediately familiar if they were taking advantage of that particular income stream, but certainly, any time there's less money in the pot, that's not the best. But it is what it is, right?

Ms. Sandy Shaw: "It is what it is": We say that a lot over here.

Mr. Braden Murray: This is the life we chose.

Ms. Sandy Shaw: Thank you very much.

The Chair (Mr. Stephen Crawford): We're going to turn to the government side. We'll start with Mr. Roberts.

Mr. Jeremy Roberts: Thank you so much. I represent an Ottawa-area riding, so of course we have a lot of museums, and a lot of our tourism industry is built around those museums—federal, of course. When I chat with museum CEOs in Ottawa, there are two challenges that they often bring up, and I'm curious to hear your thoughts as to whether you're dealing with the same thing. The first is the challenge of drawing in new generations of visitors. Different museums are trying different things with that. The second is this concept that when people think about visiting Canada, they think of the west as nature and the east as Toronto and cities. I'm just curious if you have any thoughts: Are those two challenges that you see across your museum network—and some solutions you guys might be approaching to try and tackle them?

Mr. Braden Murray: Sure, yes. The idea of people wanting to come in and get the true Canadian experience: We're actually really lucky in Kenora because we have a lot of people come in from Manitoba, especially international students. They come and they bring their parents, and they get to see the prairies and that prairie lifestyle, and then they can drive an hour and 45 minutes and see that kind of true Canadian canoes-and-trees-and-rocks kind of lifestyle. We're really lucky to be right on that divide.

As for engaging younger people—I'm 32 years old—when I first started in museums 10 years ago, the big thing was, how are we going to get millennials? How are we going to get millennials? But what we've seen is that people my age and a little bit older, the millennial crowd, are having kids, and now they're coming back like crazy. Now it's kind of moving down. I guess generation Z is what they're calling it. How do we get the younger people?

There has been really quite a concerted effort in programs like Young Curators, for example, and also engaging the schools, trying to engage students and making sure they have positive experiences at the museums. The reality is, if a group of 10-year-olds comes into the museum, of all the things I teach them, they might take back one or two things, but they will always remember if they had a good time, and they will always remember if they learned

something and had a positive experience. That's really something that we're committed to.

Mr. Jeremy Roberts: Thank you.

The Chair (Mr. Stephen Crawford): Mr. Piccini.

Mr. David Piccini: I just wanted to quickly touch on one thing. You said the bit close to your heart was red tape reduction reporting requirements etc. Could you expand on that?

Mr. Braden Murray: Sure.

Mr. David Piccini: Secondly, just as a part B to my question, I know that given our fiscal realities, we're in an Ontario where, across the board, everyone has to look at being more sustainable now, because we can't punt it down to future generations. With OCAD, for example, I was there for a \$25-million announcement the other day, and I have done a number of Rural Economic Development Funds in my riding. So could you speak on linkages with businesses? Through the Rural Economic Development Fund, I know that museums tapped into additional funding on the app we developed and we helped support to fund.

Mr. Braden Murray: On the first bit, the reason why it's near and dear to my heart is, the Community Museum Operating Grant is a beast of a thing to write. For example, a couple of years ago, there was a situation where I had to go around and take light measurements in every single one of our cases every day for three months. That was 25 to 30 minutes every day, and that's a bit excessive. It would be nice to streamline that a bit.

We're lucky in Kenora to have three or four staff members—well, five right now, actually. But in places like Fort Frances, Dryden and Atikokan, there's one staff member. So on top of doing all of their museum stuff, the real work, they're also doing these measurements and doing—I mean, it's crazy.

Mr. David Piccini: Thank you.

The Chair (Mr. Stephen Crawford): Thank you very much. Sorry, time's up. Thank you. We appreciate your presentation.

Mr. Braden Murray: Thank you.

TOWNSHIP OF MACHIN

DRYDEN FOREST MANAGEMENT CO.

The Chair (Mr. Stephen Crawford): We're moving along to the next presenters, the group that was originally listed at 3:15, which is the township of Machin and also the Dryden Forest Management Co. Thank you for coming here today and presenting. If you could just state your names for the record, you can get right into your presentation.

Mr. Gordon Griffiths: Thank you for coming to north-western Ontario and enjoying our nice weather. My name is Gordon Griffiths. I'm the new mayor of Machin, since about a month and a half before the Christmas break. There were frustrations over what had been going on, so now I've got a big job.

I'm also president of Dryden Forest Management Co. When I was asked if I wanted to take an opportunity to

speaking today, the people who knew me said, "You wear two hats. You'll probably want to speak about both." I said, "Yes." I didn't realize I'm pushing the rules here a little bit.

We have a small forest management company that's very successful, and I come from a small municipality. It's small, what we're going to concentrate on here today.

Dave Legg is the manager of Dryden Forest Management Co. I'll let Dave do the forest portion of it, and then I'll read out the municipal portion. Probably your questions will be more ready for the municipality, which is fine. You've heard lots about the forestry already.

Dave, please.

Mr. Dave Legg: Thank you for coming to Dryden, and welcome. As he said, my name is Dave Legg. I'm the general manager, and I'm also a registered professional forester.

Dryden Forest Management Co.—we call it the FMC for short—is a small management company. We're not associated with any mill. We have a sustainable forest licence that was issued to us by the Ontario government in 1998 to manage crown forests. Our funding is strictly from an administrative fee that is added on to wood fibre that is delivered to mills, and that's pretty much our sole income.

When we talk about managing a forest, we manage a forest for all Ontarians, including hunters, fishermen, berry pickers, hikers, tourist operators, Indigenous cultures and loggers too. While we want to protect species at risk, wildlife habitat and bird nests, there are also trees out there that we look after as well. We do a lot of things.

1510

You've heard a lot today from some of my counterparts about the forest access roads program. I'm not going to get into details that you've heard already, but there are a couple of things that are pertinent to us around this funding group. As you've heard, the traditional level of \$75 million for this program from the province has gone up and down. The past year it was at \$54 million. For a small management company like us, with the fluctuations in the amount of dollars that we find out on an annual basis, it's hard for us to manage our long-term forests—which we look at over hundreds of years—to try to manage where we're going to be going in the next three, four or five years when this funding level goes up and down. It would be nice if this \$75 million was a constant program that could happen every year.

We manage about 450 kilometres of logging roads. Our current forest management plan has another 100 kilometres of forest roads prepared for construction and we're working towards that. It's not cheap to maintain the infrastructure to ensure safe travel for all Ontarians and to provide protection of our environment.

Road costs are a large part of the management budget of DFMC. Without support from the MNRF's road program, we may have to make some tough decisions around where are we going to construct roads, where are we not going to construct roads, and where are we not going to maintain roads without the funding levels that we need. It's critical for our industry in Ontario to make sure that this is maintained at the \$75-million level, if not higher.

Next, as the manager of a crown forest, we receive a lot of our direction from the Ministry of Natural Resources and Forestry. I want to try to identify a couple of areas where there is bureaucracy and red tape that can be reduced. Currently, the Forest Management Planning Manual requires over three years for us to develop a forest management plan. This plan is of a 10-year duration, and this plan is developed by a planning team consisting of experts from the MNRF, biologists, SFL, my staff, Indigenous communities and stakeholder groups. However, on an annual basis, we spend about two or three weeks regurgitating some of this. The MNRF then has a 30-day period to review our annual work schedule. The public then has an additional 15 days. There has got to be an opportunity here to reduce the amount of complexity of an annual work schedule for forest operations that are already approved in a forest management plan.

Second, we do have a growth and yield program in this province that's struggling. Growth and yield is essentially looking at how different species of trees grow on different forest soil site conditions. For example, black spruce grows in lowland wet area, Jack pine trees grow on drier sand flat areas, but they grow at different rates. They grow at different sizes and that kind of stuff. Our growth and yield program in Ontario is struggling right now to try to maintain and keep up with how these trees are growing.

In parallel, we have a tracking system in Ontario that determines how much wood is coming off of our forest in order to track stumpage payments to the government.

Mr. Ian Arthur: Halfway through, just so you know.

Mr. Dave Legg: Okay. So, there is a gap here where if we added a few more fields to our tracking system that's already in place, we can complement the growth and yield program.

That's all we've got there.

Mr. Gordon Griffiths: Now I'll go to the municipal part of it. It doesn't get pretty much better than that job does, but anyway. The municipality of Machin is located on the Trans-Canada Highway midway between the cities of Dryden and Kenora. The municipality is 273 square kilometres and is comprised of three communities, all based on Eagle Lake, including Eagle River, Minnitaki and Vermilion Bay. Our municipality mainly consists of residential- and commercial-assessed properties with a small portion of industrial assessment. The 2017 census showed a population of 971. I believe some of our summer residents are included in that number.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Gordon Griffiths: Grants from the province and federal governments are a critical part of the municipal financial picture. For the municipality of Machin, these grants account for approximately 20% of our revenue.

Provincial downloading to small municipalities over the last 10 years has made it impossible for small, rural municipalities to be financially responsible to the ratepayers. Our Ontario Municipal Partnership Fund totals about 12.5% of budget revenues, but our downloads cost a total of 27.5%.

Some 280 pieces of provincial legislation directly govern municipalities. We've got some work to do there,

folks. Currently, as in many communities, recreational facilities are vital to the well-being of the community. Our arena in Vermilion Bay supports our recreational needs. The increase in hydro costs in the last few years is causing significant hardship to our municipality to continue operations of this facility, and it may soon be faced with closure, as well as other facilities. We would ask the province to consider hydro reduction costs for smaller communities with a population under 2,000.

The Chair (Mr. Stephen Crawford): Okay, thank you very much, Mr. Mayor. We have to cut you off and go to questions. We've got eight minutes. We'll start with four minutes from the government side. Ms. Skelly?

Ms. Donna Skelly: Thank you. I too grew up in a very small northern Ontario community. It was a railroad town, and a bit of mining as well. It was about 2,000 people: Capreol, north of Sudbury. So I understand how valuable the arena is to a small town—it certainly is the centre of everyone's social life—and the challenges that small communities face with their limited tax base.

I'm assuming you don't—do you provide your own police services, or are they OPP?

Mr. Gordon Griffiths: No.

Ms. Donna Skelly: So what services are you providing as a municipality?

Mr. Gordon Griffiths: The roads. We do the road plowing and maintenance, and because of the way we're spread out, that's our big problem. And the small municipalities—and that's the one point I want to make—under 2,000 people I don't feel are represented very well even with our municipal organizations. The people in Toronto get mad at me, but that's fine, because they don't understand it. We don't have the same flexibility that they do.

When we are doing this asset management thing, it's become, to me, a bureaucratic—they're building a bureaucratic empire. We've got this book that it cost us, I don't know, \$36,000. Yes, there's grants to help offset that. We did that once. Now it's projected by the same company, out of London, Ontario, that does this for us that it's going to cost us \$155,000 to maintain this asset management so now we can qualify for grants. If we don't do it, we don't qualify.

Why don't we spend some of that money doing some of the work we have to do? We're in the paper business here. That's fine, folks, but we should be taking a look at it from the small municipalities—under 2,000 people—and that's one where I think we're missing the boat. The big thing is and the point that I want to make: Don't cut our funding to the small ones this year until we take a look at what's going on, please.

Ms. Donna Skelly: I've offered this to previous speakers, but would you share with us these onerous pieces, duplicative pieces of red tape that you feel are unnecessary? Would you share those with me, moving forward? Because it really, truly is a goal of our government to address that and to decrease the amount of red tape that businesses and municipalities are facing.

Mr. Gordon Griffiths: Well, one of the things you'll see in the back here—and I swear on the Bible that I did

not know that the railway people were coming behind me. I did not know that. I just wanted to show an example of what's happening to us.

This last year, there have been changes in the federal regulations, which we didn't realize. CP Rail came to us and said, "We're going to do work on the crossing and it's going to cost you \$36,000 and you've got to pay it." Then they came back and said, "Oh, it's \$122,000." Our bill was actually \$61,000. So now the taxpayers of Machin are starting to subsidize CP Rail that pay \$30,000 taxes, and I can't increase their taxes. But this nonsense is going on. This is the kind of stuff that's happening to us.

Now, the federal government has said there are some grants, and up to 80% is grant. So we've got to apply for it and we may or may not get it. Why are we—

Ms. Donna Skelly: We will raise that.

Do any of my colleagues want to ask a question? I don't want to take all the time.

Mr. Stan Cho: Go ahead.

Ms. Donna Skelly: What would you like me to ask them? It's CP, you said? CP Rail, or CN Rail?

Mr. Gordon Griffiths: CP. It's CP that runs through our—

Ms. Donna Skelly: I was going through the numbers, and you said it's double—you're paying double what you have seen listed here as the estimated cost.

Mr. Gordon Griffiths: They estimated \$36,000 and then it went to \$122,000. The actual bill is \$61,000.

Ms. Donna Skelly: It's \$61,000 and you don't know why.

Mr. Gordon Griffiths: Well, we know why. We've paid for the rails, the ties, the subgrade. When did we start building railways as a municipality? If I own the rails, then I'm telling CP, "I feel you every time the train goes over." Apparently I can't do that. So they can't have it both ways here.

Ms. Donna Skelly: Okay. It's a valid point and we will raise it. Thank you.

Mr. Gordon Griffiths: And it's good reading, just before you go to bed tonight, what they charge us for bolts, screws, radios—

Ms. Donna Skelly: It's interesting.

Mr. Gordon Griffiths: Oh, it's interesting.

The Chair (Mr. Stephen Crawford): Thanks a lot. We'll now move to the other side for questions. Ms. Shaw.

Ms. Sandy Shaw: Thank you, Mr. Mayor. We'd love to give you an opportunity to finish your presentation, and it really is about the provincial asset management program where you ended up cut off, so you can either read the rest of your presentation or expound further on how this is impacting—

Mr. Gordon Griffiths: Yes. I'll just speak about that \$155,000 so that a firm from London will do our asset management. We can't do it. In just about any report, the government won't let us do it because they won't accept it. So we have to go out and hire these consultants. We're building a real empire, another big bureaucracy out there of people who are making a lot of money doing this stuff, and it's paper. So when you look and you say, "Okay,

we've got \$200,000 invested here," I could sure use that \$200,000 to build roads and do a lot of things.

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I think we should, again, be taking a look at it. I know that our municipal associations will push this asset management. They're starting to build a bureaucracy too; I've accused them of that. But I would like to have a look at it. How much further should we go with this? With the small municipalities, we can't fund these things, so why do we keep filling out paper?

Ms. Sandy Shaw: Further to that, what I hear you talking about is that you're struggling with limited resources and increased costs. It's no different than all the other small municipalities we've heard from.

Mr. Gordon Griffiths: That's right.

Ms. Sandy Shaw: Believe it or not, even big cities in the south are facing the struggle of being able to keep up with costs.

You talked a little bit about the provincial downloading. I know there are a lot of costs. The downloading started with the Mike Harris years, when they began to download social services costs to municipalities. In 15 years of Liberals, they haven't really changed it or uploaded any of that. Can you speak a little bit about the impact of the cost of downloading from the province, compared to the other side, which is your limited ability to raise revenues, as you talked about?

Mr. Gordon Griffiths: Yes, it's a big cost for us. That 27.5% is going to go out to things—"Here's your bill, and you have to pay it." So it is limited. We don't have the flexibility in what we can do with that money. If some of that could get moved back to where should be, it would sure help us out; that's for sure.

Ms. Sandy Shaw: Can you think of one specific cost that your municipality has to provide that you think rightfully belongs to the provincial government level?

Mr. Gordon Griffiths: Seniors' care, I suppose, is one that should be across the board, I'm thinking. Why should it be different in each area?

Ms. Sandy Shaw: In terms of some of the downloading impacts on your tax base—you probably have a small tax base, and the impact on the residential tax base must be incredible. Can you talk about how you're trying to soften the blow for some of your residential taxpayers? If the burden gets passed from the province to the municipalities, then it just gets passed on to residential taxpayers. Do you have any way of softening the blow for them?

The Chair (Mr. Stephen Crawford): One minute.

Mr. Gordon Griffiths: No, we don't. We don't have that kind of flexibility. John Tory could raise his taxes; he could make a lot of money. We could raise ours; ours is about \$18,000 for every 1% of our tax increase. We can't do much with that. If we go too far, then we're going to chase what businesses we have left out of town, and the seniors are going to start hurting. It's very, very difficult.

Ms. Sandy Shaw: At the end of the day, would you agree that there's only one taxpayer pocket? It all comes out of the same pocket.

Mr. Gordon Griffiths: That's exactly—yes, yes.

The Chair (Mr. Stephen Crawford): Thank you very much for your presentation. We appreciate it.

Mr. Gordon Griffiths: Thank you for the opportunity.

RAILWAY ASSOCIATION OF CANADA

The Chair (Mr. Stephen Crawford): The next presenter is, via teleconference, the Railway Association of Canada. Are we connected?

Mr. Michael Gullo: I am here. Can you hear me?

The Chair (Mr. Stephen Crawford): Yes, we can. Welcome to the Standing Committee on Finance and Economic Affairs here in Dryden. If you could just state your name for the record and you can get into your presentation. You'll have seven minutes. I'll give you a one-minute warning as well.

Mr. Michael Gullo: My name is Michael Gullo. I'm the senior director of policy and public affairs for the Railway Association of Canada.

The Chair (Mr. Stephen Crawford): Okay. You can start your presentation.

Mr. Michael Gullo: Okay, great. Everyone has received it? It was sent in advance. I hope you have it. My apologies for not being able to join you there in person today, but I'm grateful for the opportunity to talk to you by phone.

A little bit about the Railway Association of Canada: We're the principal trade association dedicated to railway carriers, both freight and passenger. We have nearly 60 railway companies within our membership. I'm here to talk to you about the companies that are in Ontario and to present to you some of our policy thinking that could hopefully inform the 2019 Ontario pre-budget.

In terms of the overview, I'll just transition to my second slide. There are a few different elements that I'd like to talk about: the environmental benefits of the railway industry, the importance of Via Rail's high-frequency rail proposal, opportunities to support short-line railways as well as some general comments like cost competitiveness.

Some of the logos you see here are companies that are serviced by Ontario's railways. These are the companies that are in your own backyards. We're a derived-demand business, so if they're busy, we're busy. The importance of their health and well-being within the province is critically important for the health and well-being of the services that we provide, particularly on the freight side.

Moving to the third slide, you'll get a snapshot of what our footprint looks like within the province. There are four class 1 railways. These are larger, publicly traded companies. But Ontario is also home to nearly a dozen very important regional and short-line freight railways. These are small and medium enterprises, independently owned, entrepreneurial organizations that play a critical role in facilitating regional economic development, particularly in areas in rural and remote locations where they're able to service a few shippers or railway customers and connect them to the main lines offered by CN and CP. Of course, if you're plugged into CN and CP, you've got market diversification at an international scale due to the

physical footprint that they have and their connections to every major port in North America.

On the passenger rail side, we're proud to have Via Rail as our class 1 intercity service provider, which has an excellent service being offered in Ontario and proposes that it becomes better in the future. Then, of course, we have Metrolinx, which is facilitating the bulk of commuter railway traffic in Canada.

Moving to slide 4, it's a quick snapshot of some of the high-water marks with respect to our footprint in the province. We have over 10,000 route kilometres. We pay nearly \$160 million in taxes. We employ at least 7,000 people. We move approximately one million originated carloads of freight within the province, and over 55 million people elect to leave their car at home and take the train either to or from work or for leisure purposes.

Slide 5 gives you a brief snapshot of what our commodity profile looks like. To be blunt: You name it, we move it. Basically, everything that is produced by the Ontario economy touches rail at some point.

There are a number of critical benefits associated with moving goods and people by rail, and I'd like to spend a few more slides talking about this.

Market access and trade diversification are things that I spoke about earlier.

Low rates and efficient service: These are trademarks of the Canadian rail industry, where you can move one tonne of freight for one kilometre for nearly four cents. That's an exceptional deal.

Fuel emissions: Rail is generally five times more fuel-efficient than truck. The vast majority of railway infrastructure in the province is privately owned and maintained. Those are costs that are borne by the companies, and with more goods and people travelling by rail, you have less maintenance costs on government-owned infrastructure.

Of course, there's the safety benefit of moving goods and people by rail, given that rail is an exceptionally safe form of transportation.

Slide 6 starts off my series of slides about short lines.

Under the previous administration, there was specific instruction for that government to support Ontario's short-line railways. They didn't do that. A program was never established; a support mechanism for the dozen short-line railways within the province was never established. As a result, we are putting some important pieces back together to ensure that the robust railway infrastructure that Ontario benefits from remains intact. A flashpoint was late last year, when the Huron Central Railway, which is a critical line between Sault Ste. Marie and Sudbury, was the recipient of nearly \$1 million from the new administration. That's greatly appreciated.

Slide 7 is the proof point, where it shows that historically rail hasn't received government support. Outside of transit, less than 2% of government expenditures associated with transportation have been allocated to the railway industry, and you can see that over 30% was allocated to roads.

Slide 8 highlights why this is really important. There is a series of new pressures associated with short-line railways. The gentleman who spoke to you before me highlighted the costs associated with crossings. It's a federal grade-crossing regulation. Municipalities and railways have an obligation to be paying the costs associated with these crossings. These are a really, really big deal for our short-line railway members—

The Chair (Mr. Stephen Crawford): One minute.

Mr. Michael Gullo:—who typically operate with very narrow margins and require support to remain competitive.

1530

Slide 9 is around cost competitiveness. You can see how we pay substantive taxes within the province. We have very substantive capital expenditures and a large payroll. A reduction in regulatory red tape and competitive tax measures is a prerequisite for our success.

Via Rail: We're asking for support. They have one of the most innovative infrastructure proposals that would greatly benefit Ontario. There's a real opportunity here, and we're hoping pre-budget 2019 acknowledges it.

I'll round out with the environmental benefits of rail. I talked about their advantages. There's a made-in-Ontario plan. We ask for the environmental benefits of rail to be recognized within it.

I won't go through my last slide, which is essentially a summary of the recommendations that I've put forward to you. I welcome any comments. Once again, I thank you for your time and I'm sorry to not be there with you in person today.

The Chair (Mr. Stephen Crawford): No worries. Thank you very much. We're going to start with four minutes of questioning from each side. We'll start with the opposition side. Again, I'll give a one-minute warning. Ms. Shaw?

Ms. Sandy Shaw: Thank you for your presentation. I just wanted to clarify a few things you were saying. You talked about government funding for railways. You said that 30% goes to roads. I didn't catch what you said the percentage was to railways.

Mr. Michael Gullo: It's in my chart on slide 7.

Ms. Sandy Shaw: Unfortunately, I don't have the chart in front of me.

Mr. Michael Gullo: Was the presentation not circulated?

Ms. Sandy Shaw: No.

The Chair (Mr. Stephen Crawford): It will be circulated once we're back in Toronto.

Mr. Michael Gullo: Oh, okay. My mistake. I thought you had the slides in front of you; that was what was explained to me.

Using a statistical addendum provided by Transport Canada, we're able to get a read of provincial expenditures for transportation. In Ontario, the last reported year of it is 2016-17. There's 32% to roads, 62% to transit and less than 2% to rail.

Ms. Sandy Shaw: Okay, thank you for that clarification.

One of the things that we heard from our MPPs who represent the north and the Far North is the concerns of transit via rail. The Northlander is an example of something that, to my understanding, is no longer available. Can you talk—you talked about the importance of moving goods—particularly about transit for people getting from community to community here in the north?

Mr. Michael Gullo: Yes. Short-line railways—including Via Rail, for that matter—move people in northern Ontario. It's an essential service. Frankly, passenger rail in general, but particularly in those rural and remote areas, is dependent on a subsidy in order to make it happen.

With Ontario Northland, it's a really interesting company. In fact, the CEO is on our board of directors because they're in the business of moving people and freight. When I'm framing recommendations around support for short-line infrastructure, Ontario Northland is a potential recipient of any type of new innovative program, and, of course, that would result in benefits from moving people as well as freight.

Ms. Sandy Shaw: So your association is moving a proposal to provide additional support or a funding subsidy for the Northlander so that it could be restored to the people of the north?

Mr. Michael Gullo: More broadly, short-line railways, of which there are nearly 12 in the province.

Ms. Sandy Shaw: Thank you.

The other thing: You were talking about a short-line rail, which is the Huron Central Railway. We heard about its importance about moving goods. There was \$100 million in interim funding from the government. But we heard that really that's just a stopgap measure. Can you speak more specifically about what you think would be the amount and the extent to which that should be supported in order to restore that Huron Central Railway, that short-line?

The Chair (Mr. Stephen Crawford): One minute.

Mr. Michael Gullo: Yes, I can speak to that. There are a few contextual pieces there. One important piece is that the previous administration had specific instructions to support short-line railways, and fell back. The situation we're in now—and Huron Central was on record with its business case of why support was required. The resultant effect of the inactivity has required a stopgap measure. We've seen some funding flow from the new administration, but more is required. We're really proposing a program where you have to put something in order to get something back.

The overall envelope for the Huron Central—I would have to look it up, but I'm going to say it's north of \$10 million for a few years. I can commit to following up with the broader proposal that was circulated. But you're right: We are working in an interim phase here, and more funding is required for the long-term health and viability of the route.

The Chair (Mr. Stephen Crawford): Thank you. We're now going to turn to questions from the government side. Mr. Downey.

Mr. Doug Downey: I have two questions. I've heard from municipalities at AMO last year—several of them,

and then another one just today. I think it was Hearst that had a concern that they can't collect property taxes off of bunkhouses. I'll start, I guess, with that one.

The other call for funding from the municipalities is on tonnage, which apparently happens in some provinces but not in Ontario. I'm just looking for comment on those two.

Mr. Michael Gullo: Sure. I think I can speak to the second better than I can speak to the first. I'm not familiar with the situation in Hearst and the issue around taxing bunkhouses. This slide that you'll get to view when you get back to the city will show you our figures of what we pay in taxes in Ontario every year. That's roughly \$160 million, which from my vantage point is fairly substantive.

The comment about high-tonnage tax systems: The Liberal government conducted a review and had proposed a hybrid system for municipalities to consider, of which option one, you could call it, is based on acreage—so the physical footprint. That's the status quo for taxing railway property in the province. The second is based on tonnage.

From our vantage point, it's not beneficial to have a dual-headed tax regime for assigning railway property taxes. Our policy positioning has been maintaining status quo and don't transition towards high tonnage. We've done some analysis for some municipalities that have looked at this as an option. I think it's really important to understand where those high-tonnage proposals are occurring. They're occurring out west. We've got a lot of high-density bulk commodities, which is very different than the traffic offering through the province of Ontario, which is subject to over 20% intermodal traffic, which is containers. It's much lighter. We've been exercising caution in this policy option but flat-out have said that it needs to be one or the other and not both.

Mr. Doug Downey: Thank you. I failed to mention that my father drove trains for 35 years.

I'm passing you over to Donna, who grew up in Capreol.

The Chair (Mr. Stephen Crawford): Yes. Ms. Skelly.

Ms. Donna Skelly: My father drove trains for 35 years, as well, in Capreol.

I promised the last delegation that I would ask this question: I believe in this case it's CP, but why is the railway charging municipalities—in this case it's Machin—the cost of upgrading rail crossings in their town? Why do they download that to the municipality?

Mr. Michael Gullo: The maintenance of grade crossings is a federal responsibility. We have the federal grade crossings regulations. There's cost apportionment between both parties: railways and municipalities.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Michael Gullo: It's set in legislation who is supposed to be paying what and what those maintenance costs are. Depending on the type of costing—I don't understand what they were trying to do. If that was an overpass, that's obviously a much more expensive project than signals.

Ms. Donna Skelly: I believe it was a small municipality and a very minor upgrade.

My last question: Do you receive federal funding, CP via CN? I know you're federally regulated, but do you receive federal funding?

Mr. Michael Gullo: CP and CN are publicly owned freight railway companies that do not receive government subsidies. Via Rail continues to be a federal crown corporation and receives subsidies, but CN and CP are exclusively private companies with privately owned infrastructure.

Ms. Donna Skelly: And that includes the infrastructure of the rails themselves?

Mr. Michael Gullo: It's vertically integrated. They own the infrastructure and the rolling stock that operates over it.

Ms. Donna Skelly: Thank you.

The Chair (Mr. Stephen Crawford): Thank you very much for your presentation. We'll receive your presentation when we're back in Toronto.

Mr. Michael Gullo: Okay. Thanks for your time.

1540

MUNICIPALITY OF SIOUX LOOKOUT

The Chair (Mr. Stephen Crawford): Moving along to our next presenter: It's the municipality of Sioux Lookout.

If you could please state your name for the record, and you can get right into your presentation. I'll give you a one-minute warning when you've got one minute left.

Mr. Doug Lawrance: Thank you. Doug Lawrance. I'm the mayor of Sioux Lookout. Thank you for the opportunity and thank you for coming.

As I start, I'd like to acknowledge that we are on the traditional territory of the Eagle Lake First Nation and the Wabigoon Lake First Nation in Treaty 3. Sioux Lookout lies 100 kilometres to the north in Treaty 3, but we serve 30 First Nation communities, largely in Treaty 9, the territory of the Nishnawbe Aski Nation.

These facts are important because Sioux Lookout is the hub for 30 First Nation communities. We're a community of between 5,000 and 6,000 people serving 30,000 people, 90% of whom are Indigenous, living in 25 remote access First Nation communities, including the First Nation from which comes MPP Sol Mamakwa—nice to see you here, Sol—our MPP for our riding of Kiiwetinoong. He comes from Kingfisher Lake. There are 25 communities that are remote access only, fly-in communities.

The green map on the left of the first page, you'll see, shows the lines coming into Sioux Lookout. Sioux Lookout Airport sees 125,000 passenger movements per year. We're actually busier than Toronto Pearson plus the island airport put together on a per capita basis. You see 40 million passenger movements per year. For five million people, that would be eight movements per capita. We have 20 movements per capita in Sioux Lookout, which speaks to the hub nature of our community.

In our community itself, 57% of the community is Indigenous by self-identification, 7% of the people identify an Indigenous language as their mother tongue, and 0.2%, I think it is, identify French as their mother tongue.

In Sioux Lookout, we totally embrace our role as the hub of the north. Seventy per cent of the economic activity in Sioux Lookout is directly related to servicing First Nation communities. Health care, education, social services, First Nation agencies, business—retail and wholesale—transportation and aviation are among the key employment sectors.

I'm going to talk to you today about policing and justice. I'm going to focus on that. While some of these statistics seem negative, they're not intended so; they are merely a statement of facts.

Justice and policing in Sioux Lookout: We have five times the number of cells per person of the average community. Overnight stays in our cells—it's not a jail at the OPP detachment. We're policed by the OPP, one of 324 municipalities in Ontario policed by the OPP. Fully 75% of municipalities in Ontario have OPP policing. Every man, woman and child who lives in Sioux Lookout would have stayed in a cell overnight during the course of a typical year. We have 10,800 calls for service to the OPP in a typical year. On a standard deviation basis, that's 6.2 times the norm.

We have the highest after-subsidy household policing costs per property cost in the province. Pickle Lake would be higher but they get a much greater subsidy, a 95% cost subsidy on their calls for service. We get 20%, and I'll be speaking about that in our asks.

Calls for service related to mental health, addictions and alcohol: In speaking to the OPP detachment commander, 95%-plus are directly related to mental health issues, addictions and alcohol. We have the busiest OPP officers in the province on a call-for-service basis per year. You'll see some of the ranks there: Liquor Licence Act, we're the highest in the province; total Criminal Code charges, we're the fourth highest in the province. These are gross numbers. This is not on a per capita basis; it's gross numbers for OPP-policed communities.

Our policing costs before subsidy are in the range of \$1,000 per property. The OPP base cost is \$200 per property. I think it's down to \$192 now; it's actually been slipping down over the last few years in the province. We have a cost of about \$850 per household on calls for service.

You'll see some of the other statistics there that speak to the situation in Sioux Lookout. What the asks are here are to consider the statistics. This is about a budget, and a budget is about numbers, but budgets are really about people and how we can better serve the people in Ontario. You'll see that Sioux Lookout serves an area the equivalent size of Germany. It's about 40% of the area of the province north of Sioux Lookout that all funnels into Sioux Lookout.

Consider these statistics that I've provided to you. There are many in the back here. You might reference them in your questions. This is quite a short presentation, so we can't get into too much.

I'd like you to consider some of the successes. In August of last year, we opened a 20-unit supportive housing project. The 20 people who moved into that

project: In the first four months after they moved in, their calls for service in the four months prior to moving in were 120 and their calls for service collectively in the four months after moving were 50. That's an improvement of about 55% to 60%. Several of the people have had no calls for service. They've cleaned up their lives. They've been given stability in housing and they've been given a chance to access counselling and employment, and they're improving dramatically. The associated costs for policing are going down. So we're spending money much more effectively by doing that.

I'd like you to consider that we have no detox in Sioux Lookout. In Kenora, there is a detox that was started about two and a half years ago. I just got the statistics this morning. I have one graph, but it's not included in your package. The detox facility: When you combine the calls for service and the detox calls, it changed 50% down in the 30 months after the opening of their detox.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Doug Lawrance: We need a detox in Sioux Lookout. We need a bail bed aftercare facility so that when people are released on bail, they have a home and have a place to access counselling and they have support services. We need a new emergency shelter. We need an assistant crown permanently based in Sioux Lookout.

There's only one jail in the Kenora district, which is a district that occupies 400,000 square kilometres. It's in Kenora. Eighty-five per cent of the people in that jail are Indigenous, and 85% of that 85% come from the territory north of Sioux Lookout. We need an assistant crown in Sioux Lookout permanently who can then understand the culture and understand the people. And we need alternatives to the current justice system and methodologies. They are not working.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We'll start with questioning, four minutes from the government. Ms. Skelly.

Ms. Donna Skelly: Thank you for your presentation. I know that there are a lot of people eager to speak to you, so I will get right to my first question. Considering the success, I'd like you to expand on how you track programs that are and are not successful.

Mr. Doug Lawrance: In your presentation—I can't refer you to the page—there's a graph of the 20-unit supportive housing project. We track it through the OPP. They keep excellent statistics and provide the calls for service for that facility. We work closely with the district services board, the friendship centre and the First Step Women's Shelter. That's how we track it.

Ms. Donna Skelly: So you feel confident that if you recognize a program that is working, you will advocate on behalf of that particular program while perhaps dialing back funding towards another that isn't so successful?

Mr. Doug Lawrance: I think the funding level will stay the same. It's a matter of spending the money efficaciously so that we are actually improving people's lives and getting them out of the constant cycle they're in. We're beating our heads against a brick wall. The numbers just keep going up. We need to change how we do it.

The total costs will be the same. I might add: The costs will be borne by the health care system and by the housing system instead of the municipal tax base through the policing system.

Ms. Donna Skelly: Redirecting funds where they're best utilized.

Mr. Doug Lawrance: Absolutely.

Ms. Donna Skelly: Triage table: What is that?

Mr. Doug Lawrance: Have you heard of a situation table?

Ms. Donna Skelly: No.

Mr. Doug Lawrance: The situation table was something that was started, actually, in Ontario. The OPP started it. When we started four years ago, there were 20 communities that had a situation table. It's the bringing together of cross-ministry, cross-agency—in our case, we have 15 different agencies who come together, whether they be child services, police, family service, land ambulance; everybody who would see somebody in crisis. So they come together on a biweekly basis and they discuss in confidence—there's a training program—situations that are arising that are going to lead to problems for an individual. If they realize they're talking about the same person, then they go into closed session and they figure out how to deal with that person—what service they can do. It has worked tremendously well.

The triage table would be in the justice system when somebody is brought in—typically, it's alcohol or mental health. They're brought in. Instead of being charged, incarcerated, transported to Kenora to jail, brought back, going into the bail system, failing out of the bail system: Before all of that starts, triage them. What is it that this person best needs? He's homeless? He needs housing. If he needs counselling, he needs counselling. Whatever it is that he needs, get him into that system and get him out of the constant cycle of the criminal justice system.

The Chair (Mr. Stephen Crawford): Mr. Downey.

Mr. Doug Downey: I was just looking at the slide with the OPP calls for service. It's projecting a calls-for-service growth by 500 and 600 a year. Is that based on a population expectation, or why? It's fairly aggressive.

Mr. Doug Lawrance: The calls for service for 2015, 2016, 2017 and 2018 are actual. That is just a linear projection, a mathematic projection, of the calls for service. They've been going up, and it's anticipated—unless we do something different—that they will continue to go up.

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The Chair (Mr. Stephen Crawford): One minute.

Mr. Doug Lawrance: Our population does continue to increase. You've heard today or yesterday about the Cat Lake declaration of emergency for housing. Well, that has been pandemic throughout the north for decades; it's not something new. There's a crisis in housing that has developed over decades of poor policies in the north. There's a great out-migration from the north because of lack of housing, because of lack of employment for many, many reasons. Communities like Sioux Lookout, Kenora

and Pickle Lake are greatly impacted by that out-migration.

Mr. Doug Downey: I just didn't know if this was reflective of population growth or if it's just a—

Mr. Doug Lawrance: Both. The numbers there are real: 11,418 and 12,070 are projected, based on mathematics.

Mr. Doug Downey: Thank you.

The Chair (Mr. Stephen Crawford): We'll turn now to the opposition side for questioning. Mr. Mamakwa.

Mr. Sol Mamakwa: Being from Sioux Lookout, being from the north and the northern communities, certainly I recognize the issues that you speak of. The calls for service: That's pretty much 30 per day in a small town like that.

I know that the government has to—one of the things I've always said, and I think you understand that too, is that this is not a specific issue. It's not just a mental health issue. There's a justice issue. There's an issue with developmental services and access to services, like education and health.

The reason why I say that is, I'm trying to kind of—I know you understand this. I remember speaking to court workers. The court workers were the ones who identified that a client, who was 16 or 17 years old, actually had FASD. It took that time, and without that at the early beginning, without that—and, I think, even housing.

You talked about the Kenora district jail. I remember there was one particular client from the north who had never left their home community up north. His first stop? Jail. Not having access to—you talked about the crown attorney. They can get remanded, remanded and remanded and it may be a simple assault. I don't want to say "simple," but an assault. That could take a year, because it keeps getting remanded, and they end up out here when they belong back home.

I'm wondering if you can explain how everything is put together—

Mr. Doug Lawrance: I wish I could.

Mr. Sol Mamakwa: But you know what I'm getting at.

Mr. Doug Lawrance: Well, the policing-and-justice issue is really cross-ministry and it's cross-jurisdiction. The people who need to be served end up at the doors of the municipality, in the policing system, in the justice system.

The Chair (Mr. Stephen Crawford): One minute.

Mr. Doug Lawrance: This involves the Ministry of Education, it involves community and social services, it involves housing, it involves the Attorney General, it involves community safety and correctional services, and it includes the Ministry of Health, among others. The federal government: I don't even want to introduce it, because I don't want you to deflect this to the federal government, because we have no contact with them. Municipalities get caught between the federal-First Nations relationship and the provincial-municipal relationship. When things are done for First Nations, often municipalities are left out, and the people—the out-migration of people, the urban Indigenous population—is left out.

The urban Indigenous population: Some are there by choice, and many are there for health reasons, for education or for justice reasons, and they get caught in a system that is not working.

I hope that helps, Mr. Mamakwa. I can't explain the whole thing.

The Chair (Mr. Stephen Crawford): Thank you very much for your presentation. We appreciate it.

Mr. Doug Lawrance: Thank you very much.

ONTARIO MUSEUM ASSOCIATION

The Chair (Mr. Stephen Crawford): We'll move to our final presenter of the day, the Ontario Museum Association, via teleconference. Are they able to hear us?

Ms. Marie Lalonde: Yes, I can. Can you hear me?

The Chair (Mr. Stephen Crawford): Yes. That's great.

Ms. Marie Lalonde: All right.

The Chair (Mr. Stephen Crawford): If you could just state your name for the record.

Ms. Marie Lalonde: Certainly.

The Chair (Mr. Stephen Crawford): You have seven minutes of presentation, followed by eight minutes of questions. I'll give you a one-minute warning.

Ms. Marie Lalonde: Thank you.

The Chair (Mr. Stephen Crawford): Okay, you can proceed.

Ms. Marie Lalonde: Good afternoon to the members of the standing committee. Thank you for the opportunity to speak with you. My name is Marie Lalonde, and I'm pleased to present on behalf of the Ontario Museum Association and more than 700 museums across the province.

Museums connect Ontario. I know you heard from my colleague Braden Murray from Kenora earlier today, who was representing the Sunset Country Museum Network of northern Ontario museums. I know that in each of the members' ridings are community museums. Every community has one. They provide value for every person in Ontario, no matter where they live.

Two thirds of our museums are community museums with a local mandate in smaller, rural and northern communities. They make rural areas, villages and cities very distinctive, vibrant places to live, work, visit and invest. There are 19.4 million visits per year, and growing, to Ontario's museums. We do recognize that it is very challenging and difficult to make decisions at this particular time, but we strongly believe that investing in museums and culture, which is a growing sector, presents an opportunity for a real return on investment for the government.

Today we'd like to recommend the following areas for investment. We suggest: digital access and engagement; workforce development; investment in annual funding, with reduction of red tape for the program; and, most importantly, centralized museum services. We understand that the provincial government wants to improve government programs and to create jobs, build tourism, improve education and grow economic development. Ontario's museums can assist in all of these areas.

Museums support education. They are central resources for learners of all ages. They support the education curriculum. They contribute to the \$27.5-billion cultural sector contribution, which represents 3.7% of Ontario's GDP. Museums annually spend more than \$1 billion. They create employment and they grow tourism. They offer a unique, authentic visitor experience that people are looking for. Directly, they employ more than 11,000 people, and they create many more jobs in their communities by attracting visitors to nearby businesses. They receive more than 7.5 million visitors every year who spend twice as much per trip, so they are vital tourism assets in any community that would otherwise be underserved.

We have four recommendations for the standing committee's consideration that would fundamentally change the way our sector operates and would provide opportunities for growth.

We recommend an investment in digital access and engagement. With a \$5-million investment, museum collections would be open for public access in support of education and tourism, especially in smaller museums in our smaller rural and northern communities. Museum websites in Ontario get three visits per second, with 93.5 million visits to websites in a year. That has increased by 50% in the last five years. We also know from the surveys that gave us this information that these are individuals who are planning their visit in-person. This speaks volumes to the potential of museums. What this investment would do is make online marketing more effective for trip planning, with exhibits and program promotion. Two thirds of tourists choose their destination, making this online presence essential for tourism marketing.

We'd also like to recommend an investment for workforce development in museums and tourism. With a \$5-million investment, good jobs would be created across the entire province. Museums are a training ground for young and emergent professionals, and they help build tourism-focused skills. We know there's a growing labour gap. One employee can make a huge difference in the capacity of a museum. We especially think of seasonal museums. They create, then, a better-quality visitor experience.

We also recommend public investment and annual funding for community museums and a reduction of red tape. Currently, there are fewer than one third of museums in communities that receive support from the province. There has been no increase for 10 years. The gap is at least \$6 million, and it's growing. It's putting our museums at risk in their long-term planning and their sustainability. Our collections could be lost.

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The program is closed. It's excluding performing and achieving community museums. The Canadian Automotive Museum in Oshawa, for example—the program has been closed, so they've not been allowed back in. They're doing fantastic work, and especially at this juncture it's very important for that community. The Fashion History Museum and many others—they're exceeding best practices and standards, and they should receive adequate provincial operating funding to realize

their full potential and to serve and include students, seniors, volunteers and school programs.

We would also like to see the administrative burden of this annual funding program to be tiered, so that if a smaller museum and mid-size operation—so the program can properly respond to the needs of that museum.

We'd like, most importantly, to modernize Ontario's museum sector. We ask this committee to consider an investment—

The Chair (Mr. Stephen Crawford): One minute.

Ms. Marie Lalonde: —in centralized museum services. This exists for library services. We've seen the reductions and the economies of scale and effectiveness this has created. A \$4-million investment to increase the public value of the contribution of museums would truly help us in modernizing delivery services and support maximizing museum performance through building a province-wide museum network infrastructure. We think it will make our sector more efficient, with collective work and joint activities, and be more effective as a culture and tourism driver.

Modernization would connect our museums, reduce duplication and reduce time. It would be through purchasing and systems development. It would be transferring responsibilities to a centralized coordinating entity that would help museums connect with others within their communities and show incredible rates of return.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much.

Ms. Marie Lalonde: This investment would develop—

The Chair (Mr. Stephen Crawford): I'm afraid we've gone through the seven minutes here, so we're going to start the questions.

Ms. Marie Lalonde: Sure.

The Chair (Mr. Stephen Crawford): We'll start with the opposition side. Ms. Shaw.

Ms. Sandy Shaw: Thank you very much, Marie, for your presentation. I just wanted to let you know that I spoke to your colleague, and said from the perspective of Hamilton—I'm the MPP for Hamilton West—Ancaster—Dundas—we recognize the importance that the cultural sector—arts, museums and music—has for culture and tourism. We actually recognize it and support it like an economic driver. So I agree with you in terms of the importance of this sector.

I wanted you to just go back to what you were saying, because I didn't really capture all you were saying when you talked about the program that is currently on hold or being cut. When you said it was putting museums and their collections at risk, I wanted to hear about that, because in my riding we have many, many museums. I would say the Fieldcote museum in Ancaster is one that is very important. We have the Dundas museum in Dundas, and Dundurn Castle. I would consider those community museums. When you talked about this programming cut that is putting museums and collections at risk—can you talk a little bit more about that for me?

Ms. Marie Lalonde: Certainly. The program in Ontario—first and foremost, Ontario does not have a

provincial museum that tells the story of Ontario per se. It is recognized that it is the community museums that hold the collections for the people of Ontario in trust, and that's legislation under the Ontario Heritage Act. In the act, there is a formula that allows for—and again, right now, that program is at \$5 million for fewer than 200 museums in the province. So we recognize that this program has not been increased in more than 10 years. This is a very fundamental, core operating program, and museums don't have a lot of other additional sources of funding.

This particular operating funding allows and addresses all core functions of the museum. When museums are performing well and they have this potential to contribute back with—not only do they do their tourism drivers, as you've mentioned, and also support education with all these programs, but in light of some of the social concerns that were expressed shortly before my contribution, I note as well that they do programs for Alzheimer's patients. They have also programs for children with autism. They in fact are very central to community life. When they are unable to essentially meet their demands and bills and plan properly over a horizon of time, then it puts the very core functions and the collection at risk in that they may not be well enough—the combination of these can fall behind.

Essentially, museums in this province have been doing their very best in every possible way with every dollar when the pressures are substantial. More importantly, the potential is great. We see it with the numbers and the impact of the museums. People want to see them, and so in these particular times they serve a very essential function for the population at large. They remind us of who we are and why we're here, and how to plan for the future. They address important issues and concerns, and more importantly, many communities see them as central to their well-being. So it is part of our consideration to request that the minimum gap—

The Chair (Mr. Stephen Crawford): Thank you, Ms. Lalonde. We've got to move on now to the government questioning. Mr. Downey.

Mr. Doug Downey: I think it's been very thorough. I don't have any questions.

The Chair (Mr. Stephen Crawford): Okay. Any other questions?

Ms. Marie Lalonde: MPP Downey, I know you have many Simcoe county museums, the MacLaren Art Centre, and many museums—all of you.

Mr. Doug Downey: I used to sit on the Stephen Leacock Museum board as well.

Ms. Marie Lalonde: Very well, very good.

The Chair (Mr. Stephen Crawford): Okay. Well, thank you so much for your time. We really appreciate it.

Ms. Marie Lalonde: Thank you, and we look forward to continuing to work for the province and Ontarians.

The Chair (Mr. Stephen Crawford): Thank you.

That concludes our presentations for today. We will adjourn until tomorrow at 9 a.m. in Timmins, Ontario, so I will call this meeting adjourned.

The committee adjourned at 1607.

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