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Monday 25 January 2010

**Journal
des débats
(Hansard)**

Lundi 25 janvier 2010

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
Greffier : William Short

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Monday 25 January 2010

Lundi 25 janvier 2010

The committee met at 0855 in the Sheraton Fallsview Hotel and Conference Centre, Niagara Falls.

SUBCOMMITTEE REPORT

The Vice-Chair (Mrs. Laura Albanese): Good morning. The Standing Committee on Finance and Economic Affairs will now come to order. We are pleased to be in Niagara Falls today.

Our first order of business would have the subcommittee report read into the record. Mr. Arthurs.

Mr. Wayne Arthurs: Chair, your subcommittee met on Tuesday, October 20, 2009, to consider the method of proceeding on pre-budget consultations, 2010, and recommends the following:

(1) That the committee hold pre-budget consultations in Niagara Falls, London, Dryden, North Bay and Kingston during the week of January 25, 2010.

(2) That the committee hold pre-budget consultations in Toronto on Monday, February 1, 2010, Tuesday, February 2, 2010, and Wednesday, February 3, 2010.

(3) That the committee request authorization from the House leaders to meet during the week of January 25, 2010, and Monday, February 1, 2010, Tuesday, February 2, 2010, and Wednesday, February 3, 2010.

(4) That the committee clerk, in consultation with the Chair, post information regarding pre-budget consultations on the Ontario parliamentary channel and the committee's website.

(5) That the committee clerk, in consultation with the Chair, place an advertisement, no later than the week of December 14, 2009, in a major newspaper of each of the cities in which the committee intends to meet, and that the advertisements be placed in both English and French papers where possible.

(6) That each party provide the committee clerk with the name of one expert witness and one alternate no later than December 18, 2009.

(7) That expert witnesses be offered 15 minutes for their presentation, and be given five minutes of questioning from each political party.

(8) That expert witnesses be scheduled to appear before the committee in Toronto on Monday, February 1, 2010.

(9) That interested people who wish to be considered to make an oral presentation contact the committee clerk by 4 p.m. on Wednesday, January 13, 2010.

(10) That if necessary, the members of the subcommittee prioritize the list of requests to appear and return it to the committee clerk by 12 noon on Friday, January 15, 2010.

(11) That, if all requests to appear can be scheduled in any location, the committee clerk can proceed to schedule all witnesses and no prioritized list will be required for that location.

(12) That the minimum number of requests to appear to warrant travel to a location be eight.

(13) That all witnesses be offered 10 minutes for their presentation, and that witnesses be scheduled in 15-minute intervals to allow for questions from committee members if necessary.

(14) That the deadline for written submissions be 5 p.m. on Wednesday, February 3, 2010.

(15) That, in order to ensure that all scheduled presenters are treated with respect and dealt with without delay during the committee's public hearings on pre-budget consultations, the committee adopt the following procedures:

—that notice be provided of any proposed motion that would refer to issues that would normally be included in the committee's report-writing stage;

—that notice of a proposed motion be tabled with the committee clerk in writing;

—that the committee postpone consideration of the proposed motion until the committee commences its report writing; and

—that adoption of the above notice procedure would not limit in any way the right of committee members to move any proposed motion during the committee's report-writing stage.

(16) That the research officer provide a summary of the presentations by 12 noon on Thursday, February 18, 2010.

(17) That the research officer provide a draft report to the committee members by 12 noon on Tuesday, February 23, 2010.

(18) That, in order to facilitate the committee's work during report writing, proposed recommendations should be filed with the clerk of the committee by 12 noon on Friday, February 19, 2010.

(19) That the committee meet for the purpose of report writing on Thursday, February 25, 2010.

(20) That the committee authorize one staff person from each recognized party to travel with the committee,

space permitting, for the purpose of pre-budget consultations, and that reasonable expenses incurred for travel, accommodation and meals be paid for by the committee upon receipt of a properly filed expense claim.

(21) That the committee clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

Chair, I believe that's your subcommittee report in its totality.

The Vice-Chair (Mrs. Laura Albanese): Any discussion? Carried? Carried.

0900

PRE-BUDGET CONSULTATIONS NIAGARA HEALTH SYSTEM

The Vice-Chair (Mrs. Laura Albanese): So now we'll begin with our first presentation of the pre-budget consultations, 2010. I would ask our first presenter to come forward. I believe it's the Niagara Health System. Good morning.

Ms. Angela Zangari: Good morning.

The Vice-Chair (Mrs. Laura Albanese): Just for everyone's benefit, I would like to remind you that each presentation is a total of 15 minutes in length. The presenter is allowed 10 minutes in which to make his or her presentation and that is then followed by up to five minutes of questions from committee members. The questioning goes in five-minute segments, with each party going in rotation.

Please state your name for the purposes of our recording Hansard and then you may begin.

Ms. Angela Zangari: Thank you, members of the finance committee. My name is Angela Zangari. I'm the chief financial officer for the Niagara Health System. I'm here today to share with you the challenges and issues faced by our multi-site hospital, the Niagara Health System.

The Niagara Health System is Ontario's largest multi-site hospital system, with seven sites located across the region of Niagara. Our hospital is served by a health care team comprised of 4,300 employees, including 1,800 nurses, more than 550 physicians, midwives and dentists, and 1,100 active volunteers.

Niagara Health provides the majority of acute care and community hospital services to the 434,000 residents of the Niagara region, a population that demographically is older, with a health status that is generally poorer than the rest of Ontarians.

Niagara Health System is the largest provider of emergency and urgent care in Ontario. We treat approximately 200,000 patients every year through our three emergency departments and three urgent care centres. On any given day, we are running at full capacity in our 750 in-patient care beds.

Our hospital team sincerely understands that the financial and economic crisis facing Ontario is extraordinarily serious and that government revenues have fallen drastically and dramatically, and we truly appreciate that the people of Ontario want hospitals, LHINs and the Ontario government to work very closely together, focusing on practical and realistic solutions that protect access to patient care.

Ultimately, during these unprecedented times, the government and hospitals share the same vital objective: to avoid actions that will significantly destabilize access to patient services. However, what I would like to express to you today is the realities of health care delivery and the ongoing challenges and pressures we face day to day in our mission to provide the best care we can provide the people of Niagara.

I would like to spend a few minutes on the matter of hospitals and efficiency. Niagara Health System is truly an efficiently run hospital system. Numerous third party reports and reviews demonstrate this fact. Niagara Health has undergone a number of rigorous performance and financial reviews, including a comprehensive efficiency review, an expenditure control review and the Dr. Kitts review, all in addition to our annual financial audit. Each of these third party external reviews have all pointed to the same thing: Niagara Health is an efficient hospital, we manage our expenses well, and there is a need for a funding/cash injection to the NHS.

From the provincial perspective, efficiency measures taken by Ontario hospitals have created a \$2.5-billion efficiency dividend—that is the difference between what Ontario spends per capita on hospitals versus what is spent in other provinces—that can be invested in other priorities by the government.

I would like to stress to you that along with the tremendous work that has been done to date, Niagara Health itself, and collectively with Ontario hospitals, remains committed to finding new efficiencies across hospital operations and to working with our partners—the government, the LHINs and the community sector—to find health system efficiencies. We recognize and support that this is an ongoing aspect of what we need to continue to do to ensure that the precious resources we have to deliver health care to Ontarians are used to best provide care to our patients.

We sincerely recognize that the economic challenges have made it very difficult for the government of Ontario to provide LHINs and hospitals with hospital operating funding planning targets for the 2010-11 fiscal year.

In response to the absence of a funding allocation, LHINs and hospitals have revised their planning processes for the 2010-11 fiscal year. Hospitals have provided their LHINs with scenarios derived from different funding assumptions, those being 0%, 1% and 2%. This is a reasonable and responsible step in these circumstances.

Each of these scenarios represents a funding shortfall of \$3 million to \$9 million for Niagara Health because our costs will continue to rise at a greater rate.

We believe that a 2% increase in hospital operating funding in 2010-11 is reasonable and responsible in these economic circumstances, will help to minimize the negative impacts on patient services and will help maintain public confidence in our hospital and the health care system.

Niagara Health's operating revenue is not sufficient to cover the expenses associated with the delivery of services currently being provided. This is one of the key reasons the NHS developed a hospital improvement plan, or HIP, in July 2008. The HIP is a framework for the NHS to enhance quality of hospital care across the Niagara region over the long term while at the same time balancing financial pressures, the needs of Niagara's aging population, and the challenges of the ongoing shortage of doctors, nurses and other health professionals.

This plan includes more than \$28 million of savings over the five-year period through the creation of centres of excellence and improved quality and efficiency initiatives. Through the HIP multi-year plan, we will also help reduce costs by addressing the duplication of services, equipment, health professionals and infrastructure costs across all NHS sites. Approximately \$16 million has been achieved in savings related to HIP changes that have gone into effect since 2008. These savings come mainly from supply chain efficiencies, consolidation of surgical services, bed closures and the conversion of acute care services to complex continuing care.

The NHS has also identified sufficient additional savings to deal with a 2% funding assumption for next year without significant service reductions. If base funding for 2010-11 is less than 2%, additional service reductions will be required.

In any circumstance, we will continue to work closely with our LHIN to ensure that access to high-quality patient care is maintained within a system that is fiscally sustainable.

Ontario hospitals operate at nearly 100% occupancy. The NHS, on average, runs at approximately 96% occupancy.

Based on OHA's October 2009 survey, approximately 18% of Ontario hospitals' acute in-patient capacity is now occupied by patients in need of care in another, more appropriate setting, such as assisted living, palliative care, long-term care and home care. That's up from approximately 7% just four years ago. At our hospital, that figure is 18% for the month of October 2009, down from an average of 29% in 2008-09.

High numbers of alternate-level-of-care patients can cause delayed surgeries and long waits for care in our emergency department. While efforts underway to tackle the ALC patient challenge hold promise, the capacity to care for these patients outside of hospital settings does not yet exist across the province or in this community.

I need to emphasize that a 2% operating funding increase for 2010-11 is essential to system stability.

Niagara Health System's hospital improvement plan includes savings of \$9 million over a three-year period

through the closure of approximately 90 ALC beds and staff, thus reducing capacity. Thirty beds have already closed this year, with an additional 39 beds slated to close next fiscal year.

Through recent weeks we have experienced the strain on our system when it comes to having enough of the right kind of patient care beds in the hospital and in the community. The future reduction of in-hospital beds will have a significant impact on our wait times in the emergency department and for surgical and diagnostic procedures unless appropriate beds are available in the community for patients who need long-term care, supportive housing or specialized rehab services.

We encourage the Ontario government to increase investments in community-based health services and community care access centres here in Niagara and throughout Ontario.

I'd also like to talk about hospital working capital.

One of the best indicators of short- and long-term financial viability is an entity's working capital. Ontario's hospitals currently carry more than \$1 billion in working capital deficits on a net basis, on which they pay approximately \$20 million per year in interest charges. The NHS debt/working capital deficit is more than \$100 million and we currently incur approximately \$2 million annually in short-term interest costs. It is primarily attributable to factors beyond our control and stems from a number of unique circumstances from amalgamation of the NHS in 2000 and the governance transfer from the former Hotel Dieu Hospital in 2005.

Our hospital currently receives cash advances of \$90 million from our LHIN in order to help pay our staff and our bills.

0910

I'd like to also comment on the timing of release of hospital operating funding targets. As you can appreciate, it is vital that the 2010-11 funding targets be released as soon as possible.

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

Ms. Angela Zangari: Okay, I'll just summarize.

Ladies and gentlemen, I recognize that this is your first submission of the day and that I've provided a great deal of information in a very short time period—so I thank you for that. My hope is that I have provided you with a greater understanding of our local situation and of the common challenges faced by hospitals across Ontario.

In summary, I would like to reiterate that a 2% increase in hospital operating funding in 2010-11 is reasonable and responsible, and also that we need to increase capacity in the community to care for the high number of alternate-level-of-care patients in our hospitals and decrease the long wait for care in our emergency departments.

In closing, I hope that through this presentation I have been able to help guide you in your work and provided you with a deeper understanding of the challenges before

the Niagara Health System, along with most other hospitals throughout Ontario. Thank you.

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

This rotation goes to the official opposition.

Mr. Peter Shurman: Thank you very much, Ms. Zangari. It was an interesting presentation. I think we can all relate to the fact that you and every other organization like yours around the province have challenges this year—challenges, indeed, every year.

You assert that you're the largest provider of your type in the province, and you've given us some statistics to back that up. You've also asserted that you're doing a very good job—and I'll add the phrase "under difficult circumstances," if that's okay with you.

I wonder, however, if you believe that the citizens of your catchment area in Niagara would agree with what you have to say, notably in light of recent news about the closure in some locations of emergency facilities, for example, and relocation and then transportation, in one case causing a death that could possibly be attributed to this relocation. Do you think that you're doing as good a job as you claim you're doing in the minds of the people you're serving?

Ms. Angela Zangari: I don't want to comment on the recent death. I don't think that would be appropriate to comment on.

Mr. Peter Shurman: I'm not asking for the specifics on that case, but I want to know if you think that the emergency facilities—

Ms. Angela Zangari: Certainly, all measures of efficiency related to quality and financial efficiency do point to the fact that Niagara is efficient.

Of course, with change comes angst and confusion, and you're always going to have a group of residents who may feel that. There has been a change, especially in the Fort Erie and Port Colborne area, with the downgrading from emergency department to urgent care centres—although we do truly believe that conversion still provides 95% of the residents of those areas with the same access they had before the conversion happened. Again, with change comes time to accept that change and to understand what that change is.

We've been out there trying to communicate a lot. We have open houses; we have drop-ins come in. We're constantly in communication with our residents of Niagara on that issue because it is—as we said, we had a hospital improvement plan that had significant change for Niagara. We did have the third party review. Dr. Kitts from Ottawa reviewed that before it was implemented. They fully supported what was included in the hospital improvement plan to move forward. It's not something that hasn't been done in the province before. It's something that needs to be done to improve quality of care and access for all of Niagara.

Mr. Norm Miller: Thank you for your presentation. What you described—you could have been doing the same report in my area of Parry Sound–Muskoka, talking

about reviews, audits, planned bed closures, challenges with ALC patients.

One of the things I'm surprised to hear, though, is—I distinctly remember two or three years ago then Minister of Health George Smitherman talking about and announcing with great fanfare multi-year funding for hospitals, for the health care system. I think it was three-year funding he was talking about.

Ms. Angela Zangari: We had two-year funding announced. So with 2008 and 2009-10, funding was announced.

Mr. Norm Miller: But the budget year ends in March and you don't know what your budget is, the increase, for next year?

Ms. Angela Zangari: That's correct.

Mr. Norm Miller: That seems to me an impossible situation to be in.

Ms. Angela Zangari: And that's one of the difficult challenges that we've had in order to plan. As the Niagara Health System, we've had to make an assumption that we would receive 2% funding, because we had to choose something to go by and start—

Mr. Norm Miller: I mean, it really seems to me that is a ridiculous situation to be in, that months before the financial year starts, it's essentially almost half the Ontario budget and you don't know what your increase is going to be. I know you're asking for 2%, even though your costs are probably going up more like 4% or 5%—

Ms. Angela Zangari: That's right.

Mr. Norm Miller: —with lots of things beyond your control: wages, drugs etc. What advice would you have for the government on where to get the extra dollars needed for health care going into the future?

Ms. Angela Zangari: Well, I think, as I pointed out in the presentation before, the fact that Ontario hospitals are efficient, and talking about that dividend as far as what Ontarians spend on hospital efficiencies—it's a very difficult question, and that's why I don't envy the position that you're in, because we're in the same type of position. That kind of goes back to the fact that you have to make difficult decisions, right? So I'm not really sure where it would come from. I think health care should be a priority within the budget for this year.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. That ends the questioning.

Ms. Angela Zangari: All right. Thank you.

HOSPICE NIAGARA

The Vice-Chair (Mrs. Laura Albanese): Now I call upon Hospice Niagara to come forward. Good morning. You have 10 minutes for your presentation, and there could be up to five minutes for questioning. Please identify yourselves for the purposes of our recording Hansard, and you may begin.

Ms. Sheryl Wherry: Thank you, Madam Chair and committee members. My name is Sheryl Wherry, and I am the past chair of Hospice Niagara. With me is Margaret Jarrell, our executive director. We both very

much appreciate the opportunity to speak with you this morning. I would like to point out that although we are representing our independent hospice, Hospice Niagara, we are working in concert with the Hospice Association of Ontario. With that, we fully support the business case that has been prepared by them and I believe distributed by your clerk this morning to each of you.

I'd like to provide you with a brief background of Hospice Niagara. It is a charitable organization. It was established in 1993 by a small group of individuals who were extremely dedicated to a vision for a free-standing hospice in Niagara. It was initially developed with several services: a peer support program for children living with terminal illnesses and a volunteer training program, resulting in a network of volunteer palliative care providers providing in-home visiting volunteer support to those living with a life-limiting illness.

Approximately 13 years after being established, the vision of a free-standing facility became a reality. In September 2007, the first client came into our 10-bed residential hospice. Since that time, 276 residents have graced us with their presence. Our occupancy rate continues to exceed the expected 80% level and runs closer to 90%.

Not only do we operate the residential program, but we continue to provide an expanded array of community services, all aligned to the provision of palliative care. We have grief counsellors; we offer grief walks to those who have lost a loved one; we offer children, youth and adult bereavement support; we have a day hospice program, where those who are able attend our facility for a day of camaraderie, fun, a hot meal and undivided attention from our volunteers; and we continue the critical work of the visiting volunteer program, to not only assist the resident in their own home but, as importantly, free the caregiver for those periods of visitation.

In summary, we are, we believe, an integral and extremely important part of the end-of-life network.

As you know, from a demographic viewpoint, Ontario has an aging population, and the Niagara region is statistically higher than the Ontario average. The service we provide helps alleviate the pressure on hospital emergency rooms and palliative care beds. You will find a considerable amount of information on this in the business case produced in concert with the Hospice Association of Ontario. Specifically, you will be able to read about the economic drivers that clearly favour the hospice movement. Without hospices, the choices for dying and aging are long-term-care facilities and hospitals. A hospice, if available, provides a unique experience not only for the residents but, very importantly, for their families. It is a companioning experience.

0920

The model limits the size to 10 beds in order to ensure a homelike rather than an institutional setting pervades. This is what makes the difference for the families, who can spend their time with their loved one in the last days of their life rather than having to be the reactive, responsive caregiver.

Families have the freedom to come and go 24-7. The rooms provide a pullout loveseat for sleepovers if desired. There is a family room with cooking facilities, to keep families fed; a quiet room for spiritual relief; and we have a resident chaplain.

From an economic perspective, the numbers speak for themselves. The provincial average cost of an acute care bed in a hospital is \$850 a day, compared to the average cost of a residential hospice bed at \$439 a day, almost one half the cost.

At issue for the hospice movement in Ontario, including Hospice Niagara, is that we are not sustainable in the long term, or perhaps short term for some, at the current levels of funding. The funding formula provides funding for less than 40% of our operating costs. Community support has bridged the difference to date, but we seriously question how we can continue to depend on the community for \$800,000 annually into the long term.

If we do not receive increased funding, hospices will fail and this will result in an increased cost to government and likely a negative reaction from constituencies where a hospice has been available.

At present, there are 16 hospices operating in Ontario, equating to 126 beds in total, and there are at present an additional 157 beds in 19 separate organizations either in planning stages or under construction. If these 300 or so beds ultimately cannot be sustained from a financial perspective through hospice funding, the drain on long-term-care facilities and hospitals will be hugely problematic and the cost to government excessive.

Many of your constituents are becomingly increasingly aware that hospice care provides a better quality of care at a cheaper cost than our hospital care.

As a board at Hospice Niagara, we are so concerned about our own sustainability that we recently established a government relations committee. In the past few months we have made a point of meeting with as many politicians as possible. To date we have had a lengthy meeting with Honourable Minister Bradley, who has committed to writing a letter to the Minister of Health in support of our issue. A meeting is scheduled for later this week with member Craitor and at the federal level, we have met with member of Parliament Dykstra. Other meetings are in the planning stage.

Before I ask our executive director for a few comments, I would leave you with this thought: At some point every one of you will be either directly or indirectly touched by a loved one having a life-limiting illness, and no doubt you have constituents who have already been touched by a loved one requiring end-of-life care. When you are, you will grieve that loss less if you know that the quality of that care was the best possible that could be provided. That's what a hospice can do.

I sincerely thank you for your time and I ask Margaret to say a few words.

Ms. Margaret Jarrell: Madam Chair, members, good morning. I would like to illustrate to you with a couple of scenarios how residence hospice care serves both the individual and fits within the health care system.

In the first case let's look at Pat and Mike. Mike has just received a diagnosis of a life-limiting illness. A trusted friend sees the couple's confusion and anxiety and refers them to Hospice Niagara. Over the course of the next eight months, during physically draining treatments, bewildering side effects and a determination to overcome disease, Pat and Mike are supported by a Hospice Niagara volunteer. The volunteer visits with both. Pat goes off to hair appointments and buys groceries while the volunteer and Mike visit. The couple have grown children and a large social circle, but they are private about the issues they are confronting and confide and question some matters only with their volunteer.

Mike attends a day hospice program. A volunteer driver picks him up, as he is now in a wheelchair, and returns him home while Pat gets some much-needed respite.

The hospice staff notice that Mike and Pat require more medical support now, and the CCAC is contacted. That is provided.

One day it becomes clear that this is a struggle that Mike cannot continue at home. His disease is progressing and Pat is exhausted. The CCAC makes a referral; Mike comes to hospice. Mike and Pat are frightened but know some of the staff members and volunteers and are made to feel very welcome. They are both able to visit together with friends and family, take meals together, and by the time Mike passes away, the family is accepting and calm.

Fifty per cent of our clients, however, come from hospital. Let's look at David's circumstances: After a brief but rapidly progressive disease that dramatically reduces his physical capabilities and gives David great discomfort and periodically severe pain; after repeated rounds of hospitalization, seeking relief for these symptoms, the family is overwhelmed, and the hospital says that he's ready for hospice palliative care. David does come to the hospice directly from the hospital. The expert knowledge in palliative care and pain management allow David considerable relief and he has several weeks of comfortable time before his death, which he uses in brief, meaningful discussions with friends and the chaplain.

I will close now with words from a young man who is currently a client of ours. This is from a book that we have at the visitors' desk:

"I am 14 years old. My dad has been fighting cancer for nearly 10 years.

"And I do not think he's ever been in better care. Before, my mother, brother and I were the medical staff and had to squeeze in quality time as well.

"But here is a place which makes sure we only have to concentrate on family time.

"No work, clients, phones or cooking. Just my dad.

"Thank you so much for the moments and great memories you have allowed us to make."

With that, I close. Thank you.

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

Mr. Michael Prue: I just want to, for the record—when a person goes into a hospice, is there any charge to them? Do they have to pay any amount of money?

Ms. Margaret Jarrell: No, they do not.

Mr. Michael Prue: So it's entirely government-funded?

Ms. Margaret Jarrell: No, it's about 40% government-funded, and the rest at this point in time is coming from the community.

Mr. Michael Prue: All right. So what's this—fundraisers? You have to go out and—

Ms. Margaret Jarrell: Fundraisers and reserves. It's an unsustainable formula.

Mr. Michael Prue: There is a very limited number of beds. I was surprised, when you were talking, how limited the number of beds is in Ontario. My colleague here was asking if I knew of any in Beaches–East York, and I don't. I would surmise that there probably aren't any. Could you tell me how many there are in the Toronto area, the whole of Toronto? There are only 126 in the province.

Ms. Margaret Jarrell: No. I can get back to you with that, but it is limited. There are about five hospices in the full Metro Toronto area.

Mr. Michael Prue: I do understand the economic argument, and I have never really, quite frankly, understood the province and the way that we spend money. I'm thankful for the hospitals. We heard the last presenter; they need 2% more. But we also know that there are closures and pressures. She was talking about what used to be called bed-blockers and things. This is something that you could easily alleviate at half the cost.

Ms. Margaret Jarrell: We do alleviate at half the cost—just not to the degree we would like.

Mr. Michael Prue: So if the government saw fit, given all the hospital pressures on monies, to rechannel, there would actually be a saving, I would take it—a considerable saving.

Ms. Margaret Jarrell: That's right.

Ms. Sheryl Wherry: Almost half the daily cost of a bed, based on the statistics that you will find in the business case.

Mr. Michael Prue: Is there reluctance from patients to leave a hospital and come to a hospice? I'm only thinking back to people's fear of death. If you go to the hospice, you know you're probably going to die. So the hospital gives them some kind of hope—even though they're probably going to die and nothing's going to be much different—that there's still some hope. Does that ever play on people's minds?

Ms. Margaret Jarrell: It may, but our data to date is, we take 50% of our clients from the hospital and 50% from the community. We have never had a bed turned down from someone in the hospital. Sometimes at home, the family says, "We think we're going to be able to cope," or, "We want another day," because it does seem like a final step, so they sometimes ask for a day. If they ask for more than that, sometimes they call back, having realized what it was like to think that they might have

had a full night's sleep, and the bed has gone to another. But no, we've never had a decline from the hospital.

Mr. Michael Prue: I did not hear a number. This is the finance committee. How much money would you like from the government in this particular round in order to do what I think is an excellent program?

Ms. Margaret Jarrell: We would like 80% of the operating costs. Operating costs, all across the province, are \$1.6 million a year; we currently receive \$580,000. We would like 80% of \$1.6 million.

Mr. Michael Prue: That's about \$1 million.

Ms. Margaret Jarrell: That's \$1.2 million.

Mr. Michael Prue: Okay. Thank you very much.

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

0930

CITY OF NIAGARA FALLS

The Vice-Chair (Mrs. Laura Albanese): We will now move to the next presenter. We welcome the mayor of Niagara Falls, Mr. Salci.

You will have 10 minutes for your presentation. That might be followed by five minutes of questioning. If you can state your name for the purposes of our recording Hansard, after that you may begin. Thank you.

Mr. Ted Salci: I'm pleased to be here this morning. My name is Ted Salci. Accompanying me on my right is our CAO, Mr. Ken Todd; and on my left is the director of finance and the treasurer, Mr. Todd Harrison.

I'm the mayor of Niagara Falls, as you mentioned, and I'm pleased to be here and to welcome the members of the standing committee. I thank you for facilitating this discussion in our community today and for being here to listen. It is a pleasure to have this opportunity to speak and provide you with important information about the priorities and challenges that we face in our city.

The city of Niagara Falls is unique in Ontario. As you know, we have 82,000 residents and a visiting population of more than 12 million people each and every year. We are constantly faced with trying to meet the demands of this number of people in our community annually. This requires us to ensure that our infrastructure is upgraded, our roads are safe and our sewer and water lines can host millions of people in addition to our own population each year.

It is difficult to compare us to other communities and cities as we have different needs and varying priorities based upon our unique circumstances. We have seen a solid commitment from the provincial government in our community, and we're pleased that you've recognized our diversity; however, we need to continue to be given this consideration.

I'll outline some of the important issues facing our city today.

Our ability to generate revenue is tied to the value of our properties, so we need the provincial government to provide us sustainable funding options. We welcome you to complete your new review of property taxes and to

present a sustainable long-term solution to municipalities. We look forward to the government's response and a resolution regarding property tax issues.

One of the largest challenges facing municipalities is the replacement of current, aging infrastructure. Roads, water and sewer distribution, and buildings, amongst others, will require significant investments for which local municipalities will need funding assistance. We are pleased that the provincial government has supported this reinvestment infrastructure through support programs and grants. However, many of the current grants and programs are one-time funding.

While we recognize that the province initiated many of these to stimulate the lagging economy, there needs to be a long-term commitment from your government to provide predictable, sustainable infrastructure funding. The investments planned by cities will require funding assistance from the provincial and federal governments to ensure that the infrastructure assets are maintained at levels expected by our residents.

We are very appreciative of the support that your government has shown in the past, and we thank you for dealing with the city so proficiently. Please know that your investments are extremely worthwhile. Whenever you invest a dollar here, I'm very proud to say that the private sector triples that investment.

Further, as infrastructure investment occurs, it is a great opportunity for municipalities to be leaders in green technology. However, to meet the financial commitments of utilizing green technology, the province will again need to assist municipalities in financing this conversion.

The investment in two casinos and the recent announcement reaffirming your government's previous position to maintain two casinos is very much appreciated by our residents. The casino properties continue to be another pillar of our tourism attractions.

While we appreciate this investment, we also require further action to resolve outstanding issues. The OLGC has appealed its property assessment, and that process is under way. We urge the province to use its legislative authority to identify a fair assessment model that provides a stable funding source to the city and to the region of Niagara.

In total, the payments received from the properties provided \$17.3 million in funding and is a significant portion of our respective annual revenues. Further, we encourage the province to identify a solution that mitigates large assessment changes during implementation, and we further encourage the province to invest in the significant assets it owns at Casino Niagara and Fallsview Casino by expediting the development of a main attractor.

There has been discussion recently that the last part of the puzzle is the creation and construction of what we call a "grand theatre" that will have approximately 5,000 to 7,000 seats, and we know that this facility itself will provide more of the critical mass required to provide the attraction of the casino itself as a total entertainment venue.

This investment will pay off for local businesses and residents of Niagara Falls and the region by creating even more economic activity, both during construction and in operation. Further, it will be beneficial to the OLGC as it expands its local, provincial and international appeal.

We would like to thank the province as well in recognizing Niagara Falls as a viable destination for the GO service, both by bus and by train. The initial program has been a success, with more than 15,000 weekend trips this past summer, averaging well over 1,500 people per day. We encourage the province to pursue further investment in the GO service to Niagara Falls, with the intention of eventually expanding to full-time rail service. This investment will further expand the local commercial enterprises and benefit all residents and businesses, including provincial properties such as the casinos and Niagara Parks Commission, with many more increased visits.

Public transit is an initiative that has many benefits to residents. In addition, further investment in public transit will have long-term environmental benefits and is a significant green initiative that supports the recent Green Energy Act.

We encourage the province to expand on its funding initiative to local municipalities to modernize and to transform our transit fleets to more environmentally friendly vehicles. In addition, the coordination of transit services in the Niagara region requires provincial funding to provide inter-municipal service between municipalities in the region and the greater Toronto area. This concept was recently endorsed by our council.

Another initiative, the Ontario municipal partnership fund program, has been a stable source of funding to local municipalities throughout the province. While we recognize that the economic climate has changed and that there have been funding realignments between the province and the upper-tier governments regarding the cost of social services, we encourage the province to consider a multi-year transition period for reducing grants to local municipalities like Niagara Falls. Again, a stable and consistent funding model allows municipalities to plan for reductions, if any, in OMPF, with less impact on the residential taxpayer.

In Niagara Falls as well, as you know, we host millions of tourists annually. These tourists enjoy the natural beauty of the city, the Niagara Peninsula, the fine attractions, wonderful restaurants and world-class accommodations. In order to continue to expand the tourism industry, it requires significant coordination of marketing activities. We encourage the province to expedite the process of selecting the regional tourism organizations, known as RTOs, to ensure that funds can be immediately distributed and reinvested in our marketing efforts.

Another initiative that's a concern to us is the presumptive legislation recently with regard to firefighters. The recent expansion of the presumptive legislation to provide WSIB coverage to volunteer firefighters as well as full-time firefighters is a commendable program. The city, like all municipalities, recognizes the great efforts

that our firefighters have made to protect and serve our citizens. However, we encourage the province to review the existing funding model, which appears to be punitive, whereby penalty and interest charges are assessed in a retroactive manner to 1960. Cities like Niagara Falls have depleted their reserves to compensate families of eligible firefighters due to the fact that these funds were previously unbudgeted, with claims averaging in excess of \$450,000 per claim. Of course, to date over \$2.5 million has been paid. The city requests that the province assist by providing financial relief for these claims, particularly as it relates to penalties and interest.

In closing, I am confident that you'll take this information back to Queen's Park and that the issues that are faced on the front lines of cities will be heard and will be considered as you move forward this term.

On behalf of the members of council and the residents of Niagara Falls, I thank you for your invitation to present our challenges and issues to you. We're available for questions, Madam Chair. Thank you very much.

The Vice-Chair (Mrs. Laura Albanese): Thank you for appearing before the committee. The questioning will go to the government side. Mr. Craitor.

Mr. Kim Craitor: Thank you very much, Mr. Mayor. I want to thank you for saying the words "thank you" to the government at least nine or 10 times in your presentation—well deserved.

A couple of short things: First, I want to thank you for the excellent relationship that we've had in my term as your provincial member of Parliament. I want to say, and for my own colleagues, that I was extremely pleased to have a chance to spend time with the mayor when we announced the funding for helping rejuvenate the downtown, when we gave the funding for family and children's services, when we gave \$30 million to help, as you said, the convention centre move forward—the GO train. I want to tell my colleagues here, and I want to thank Jim Bradley: The GO train has been an enormous success. Without really any advance planning in terms of setting up an infrastructure to move the people in from Toronto and other areas, the volumes of people that have come here—I want my colleagues to hear this—have been enormous, and there's currently an EA going on to look at whether or not the GO train should go forward. It definitely should go forward, and Niagara Falls should be the hub of it, not St. Catharines.

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Mr. Mayor, I have a couple of questions I want to ask you. One was in terms of the revenue and a sustainable funding model. I wonder if, through yourself or through the CEO, you have any suggestions or if you'd like to submit some suggestions to the government on what would be a sustainable funding model that you think would help right across the province.

Mr. Ted Salci: Certainly. Our challenges have always been revenue declines and decreases. I'll let Mr. Ken Todd, our CEO, respond to that as well.

Mr. Ken Todd: Well, Madam Chair, one of the things that is very difficult for municipalities—if I could relate

to the OMPF funding, the announcement for the OMPF funding allocation for the upcoming year was made some time in December. That makes it very difficult for us to plan ahead, when that funding announcement is so late in coming. What we would like to see is some kind of financial support, either through OMPF funding or through an infrastructure plan, that would not see sort of one-off grant programs but something that would build a base into our budget so that we could ensure that some of those long-term capital projects are carried out. It's the uncertainty that hurts us. If I could relate even to the assessment model for the casino, along the same lines, we're saying that with some of the funding models that are being proposed, we could see a several-million-dollar hit on a reduction in our tax allocation that we would get from the casinos.

We're looking for a funding model that would give us long-term sustainability. We can't rely on one- or two-year shifts where every year or two we're having to come up with a couple of million dollars. That's probably meaning a 3% or 4% impact on our bottom-line taxes every year. What we're looking for is an amount of money that can be given, a long-term commitment that will give us long-term planning and a sustainable amount of money that we can build into our budget every year.

Mr. Kim Craiton: Chair, how much time do we have left?

The Vice-Chair (Mrs. Laura Albanese): A minute and a half.

Mr. Kim Craiton: Okay, I'll do this very quickly.

First, we had a great announcement the other day in terms of confirming that Casino Niagara would sign a deal where, instead of five years, which is how it was done by the previous government, we said 15 years. The employees were joyous, the community was joyous, and there was a sense of stability that Casino Niagara was here. In particular, one of the first announcements that came out that day was that one of the individuals, a businessperson, said, "I'm investing \$70 million because your government has made a decision."

I just want to say for the record that it was something we worked on together with the mayor and the people in the community. I saw some criticism from my colleagues in the opposition saying this was the wrong thing to do for Niagara Falls. Would you just confirm to the committee that we worked together, and it was the right thing for the community to have an agreement for 15 years, to put in place a sense of security for the casino?

Mr. Ted Salci: Well, thank you very much, Mr. Craiton. As you know, this has been an issue that's been long-standing, and we understand that Casino Niagara was always meant to be an interim casino. As you know, the former Premier, Ernie Eves, had announced a two-casino model, and we were pleased that Premier McGuinity reconfirmed that position when your government took control. We are very happy, and as I said in the news, it was the simplest and easiest thing to do. We've been pushing for a long-term, sustainable model, of course, for the length of term of the lease, to ensure that

at least there's one decent business cycle in there where the investment can be made properly. So we do appreciate the commitment; thank you.

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

YELLOW SHIRT BRIGADE OF NIAGARA

The Vice-Chair (Mrs. Laura Albanese): Now I call upon the Yellow Shirt Brigade of Niagara to come forward. Good morning. You will have 10 minutes for your presentation; that will be followed by up to five minutes of questioning. I would ask that you state your name for the purposes of our recording Hansard, and you may begin.

Ms. Sue Salzer: Certainly. My name is Sue Salzer, and I'm representing the Yellow Shirt Brigade of Niagara. By the way, welcome to Niagara. When we visited Queen's Park, we were so very warmly welcomed up there. I hope that we're able to return the hospitality for you folks today. Get out and about; Niagara is a wonderful area.

Mr. Wayne Arthurs: They have my money.

Ms. Sue Salzer: You've made your donation. Thank you, sir.

Members of the budget committee, guests, supporters of better health care for the citizens of Niagara, thank you for a position following Mayor Salci. He's a tough act to follow on any occasion.

As you start your week of hearings across the province, I anticipate the letters HST will have a very familiar ring. I want to introduce you to three other letters: NHS, Niagara Health System. Unlike other presenters you may hear from, we've come today to say thank you. Yes, thank you for the infusion by our provincial government of additional dollars that you have dedicated for the health care of the residents of Niagara. Over the last six years, you have provided a budget increase of 42%, a figure frequently referred to with pride by former Health Minister Caplan, and certainly by the current health minister, Deb Matthews.

Having so said, I only have one question of you: Where did it go? Surely, as keepers of the public purse, you have a tracking mechanism that tells you of value for dollars.

We can report to you that this funding did not improve the quality of health care in Niagara. In fact, it was quite the opposite. Your 42% produced medical bed closures, operating room closures, program closures, emergency room closures and staff layoffs. The result? We have "code gridlock." Our emergency department wait times in the remaining facilities—NHS will tell you that they have the seven doors. The seven doors only consist of three remaining hospitals. The other four doors are conversions to places like walk-in clinics, urgent care centres, holding centres for chronic patients. Three functioning hospitals—one in St. Catharines, one in Niagara Falls and one in Welland.

Operations are delayed and cancelled. Just last week, I sat as a surgeon said, "On Monday I had a serious cancer

operation cancelled on me, delayed until Tuesday. On Tuesday I went in to do this cancer operation. Three o'clock, I am told, 'It is cancelled.' The reason? No bed." His quote, which we support, and he said this to the NHS board of directors, was, "More beds must not be closed," and yet 39 more beds are scheduled to be closed next month.

In Niagara, we have a death rate that exceeds the provincial average by approximately 36%. Is it any wonder that we continue to question the second-rate service we receive?

If the Niagara Health System were run as a business, the word "bankrupt" would be applicable. The NHS has a capital deficit of over \$100 million. The NHS has an operating deficit of \$18.8 million, the highest in the province. They have expended their line of credit, and a co-signer is demanded before more is forthcoming.

The new P3 hospital being built in the north end of St. Catharines will cost the same—\$1.5 billion—as the new luxury Dubai hotel with 900 suites. The number of beds in the new hospital: 375.

Hospital building funds have been used for operating funds. This greatly incensed a certain mayor here in the southern tier. As an example of NHS mismanagement and their total lack of fiscal prudence, they closed two hospital emergency rooms. They saved \$2 million per year by this closure. The result was it now costs \$3 million a year in extra ambulance costs to run the patients from the southern tier up to the northern hospitals. Net loss: \$1 million. Some savings that was.

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All the problems here in Niagara started in late 2008, when a hospital improvement plan was designed by the staff of the NHS and subsequently rubber-stamped by the LHIN board. Implementation of service reductions began immediately. Less than one year later, the LHIN reported that the hospital improvement plan will result in limited savings and will require significant capital funding, money that we know is not available. And yet the NHS proceeds with closures at an alarming rate. This is not an improvement plan, and objections are heard from all the municipal councils of the southern tier, citizens, and any patient who is caught up in the NHS system.

Now, where do you fine folks fit in?

We attest to the well-known fact that more funding is needed for health care provincially. We only ask of you, when it flows from your central coffers, that it have a destination.

That destination should not be for the grandiose LHIN headquarters. They have nine volunteers—supposed volunteers; daily per diem rates are pretty stiff, upwards of \$350 a day—but this nine-member board has a lovely building all their own and they are supported by 32 staff.

That destination should not be for the \$357,000 salary of a non-medical CEO, or for the 169 staff who are on the sunshine list, or for more consultants.

That destination should be for the care of the patient in the medical bed: for the cancer patient whose surgery keeps being delayed; for the mother who is carrying a

dead fetus. That mother showed up for scheduled surgery twice. Two different times she was sent home with, "Sorry, your surgery is delayed." She travelled at 7 a.m. from Fort Erie to Welland for two different surgery dates. After the second cancellation, she was crassly told, "We can't fit you in till next week. Maybe you will spontaneously abort."

That destination should be for the patient held in the curtained cubicle in the emergency department for three days, waiting for a bed.

That destination must be for 18-year-old Reilly Anzovino, who might be alive today if the southern tier had an emergency room.

That destination must be for beds and medical staff. Even the LHIN chairman says, "Long wait times can be attributed to bed shortages." Yet across the province we see bed closures and medical and support staff layoffs.

In summary, our request to you is so very simple. Please take this as a stipulation to the Honourable Deb Matthews and the staff of the Ministry of Health and Long-Term Care. As future funding is released to support health care in Ontario, every additional dollar should be destined to support actual patient care. Additional funds should not be peeled off by the super-LHIN. Additional funds should not be peeled off by the LHINs, by consultants, by committees, by study groups, or by administrative groups like our NHS. It's now their time to practise fiscal prudence and live within their existing budgets. If there is 1% or 2% forthcoming, let it be assigned to the patient and to the hospital beds.

The Vice-Chair (Mrs. Laura Albanese): Thank you, but your time is now up. Thank you for your presentation.

Ms. Sue Salzer: Thank you.

The Vice-Chair (Mrs. Laura Albanese): This round of questioning goes, I believe, to the Conservatives.

Mr. Toby Barrett: Yes. Thank you, Chair. My colleagues have some questions as well.

Kudos to the Yellow Shirt Brigade. I see about half a dozen yellow shirts in the audience here. Your presence is certainly well known at Queen's Park.

The closing of emergency departments has much of rural and small-town Ontario quaking in their boots. You've been part of the demonstrations up there. One rationale we hear in this area is, "You have the advanced, trained paramedics who can deal with this, and ambulances"—you talk about an additional \$1-million cost, and I worry about the travel times in the north. Is that the only rationale or is that a valid rationale for shutting down the emergency at places like Fort Erie and Port Colborne?

Ms. Sue Salzer: Sir, to this day we haven't heard exactly a reasonable rationale, especially when it is not dollar-related. You can't close two emergency rooms for \$2 million and yet incur the cost of \$3 million in ambulance, so that isn't a rational answer. To this date, I have to say, as often as we've asked the question, "Why must our ER be closed?", we have never received an answer.

Mr. Toby Barrett: Okay, thank you.

Mr. Peter Shurman: Thank you for being absolutely unequivocal. I'd like you to be unequivocal in response to this question as well. You've talked an awful lot about—and I'll use your word—mismanagement at the NHS and you've also implicated the overall structure, the LHIN structure, here. Would you lay the blame for the situation that you describe in fairly negative terms at the feet of the NHS or the Ministry of Health?

Ms. Sue Salzer: I think it's joint responsibility. Although there has been a lot of funding forthcoming over the years from the Ministry of Health, for which we do thank you, I think that the biggest problem is, it is getting peeled off before it ever reaches the level of actual patient care.

When you think about the number of layers that it has to trickle down through—that's why we're asking that any funding that is forthcoming over and above existing budgets, put the caveat on it; insist that this is for the medical floor, the medical patient, the support staff that goes with those beds, the dietary staff, the cleaning staff, the physio staff, the occupational staff, and it will not be allowed to supplement further consultants, salaries, boards and committees. When you send 2% down, by the time it hits the bottom floor of that hospital there's very little left.

Mr. Peter Shurman: Let me not put words in your mouth but let me ask you: Is it reasonable to characterize the situation that you've got as "insular" insofar as the relationship between what's being delivered here in Niagara and the Ministry of Health because of these layers that are in between?

Ms. Sue Salzer: Yes. It's very difficult to ever get direct answers because everybody passes it off to the layer up above. When you ask if I would blame the management of NHS, I definitely would, and it's not just my voice; it's not the voice of the yellow shirts; it is the voice of—the council passed a resolution in Niagara Falls calling for an investigation of the NHS. This was supported by the council of Port Colborne, by the council of Welland, by the council of Wainfleet. In addition to that, our Ontario Nurses' Association has demanded an investigation of the NHS through the public health act. So our voice, although it's sometimes a little louder than other voices—we don't stand alone. The people of the southern tier have had enough.

The Vice-Chair (Mrs. Laura Albanese): Less than a minute.

Mr. Norm Miller: I guess I get to ask a short question, then. Where do you see health care going in the future, both in the Niagara area and in the province? The situation you described is very much what's happening in my own area of Parry Sound–Muskoka. Also, how do you feel about the LHINs? Are they helping the situation or are they siphoning off the dollars that should be going to front-line services?

Ms. Sue Salzer: They're very much a siphoning body. Health care in Ontario existed and existed very well before the super-LHIN board was put in and the LHIN

board was put in. I understand that in front of you in the upcoming session there will be an NDP motion to have LHINs and the NHS board of directors elected by the people, responsible to the people and transparent to the people. What a novel idea.

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

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SOCIAL ASSISTANCE REFORM NETWORK OF NIAGARA

The Vice-Chair (Mrs. Laura Albanese): We call now on the Social Assistance Reform Network of Niagara Falls. You have up to 10 minutes for your presentation. There could be up to five minutes of questioning. Please identify yourself for the purposes of our recording Hansard. You may begin.

Ms. Gracia Janes: Thank you. I'm Gracia Janes, the chair of the Social Assistance Reform Network of Niagara, not Niagara Falls—and Diane Corkum from Project Share, which is in Niagara Falls.

We're comprised of several front-line agencies across the region and we have, as member groups and individuals, been working towards the realization of the social welfare reforms of Judge George Thomson's Social Assistance Review Committee for 22 years. We've appeared before many finance committees of four different provincial governments and we've met with various MPPs and, at the federal level, various MPs.

In December 2008, as the economic downturn began to gather strength, we commended the government for its plans to reduce family and child poverty by 25% over five years, invest in a community opportunity fund, provide stable funding for rent banks and social housing infrastructure and repairs, make fairer welfare rules, enhance employment standards enforcement and remove RGI and OSAP barriers to financial independence.

In the spring of 2009 we commended the government for the speedy implementation of the increase in the OCB and for the benefits transferability between work and social assistance income, but noted that the basic Ontario Works benefit was reduced, so the overall increase to families was minuscule.

Now, as the government moves ever-slowly along its poverty reduction path, we can commend it for its recent establishment of an Ontario deprivation index and a hands-on advisory committee to ensure that their strategy meets the needs of low-income Ontarians. However, unfortunately, we appear to be even further away from achieving this latter goal, and here in Niagara the picture is bleak. This is a community in crisis mode, whose regional and municipal governments, community front-line agencies, charities and the general public are doing their best to cope but need immediate help.

The condition right now: Between 2005 and 2009, Niagara lost 7,000 manufacturing jobs, which represented a 23% employment decline in this sector. Over 1,000 of these jobs were lost in 2009 and GM is down to

1,700 employees. For the most part, Niagara's jobless rate has been the second highest in Canada for over two years. While the situation may improve in the next year and a half due to the influx of federal-provincial infrastructure dollars, this is not a long-term fix and will not make up for the dramatic job losses in the manufacturing sector. We hear from employment agencies and others that the real unemployment rate is much higher.

Low-wage jobs are hard to access for the many skilled workers, and even highly educated young workers find the going very difficult. For example, 3,500 people applied for 50 jobs at the new RONA store in Welland on January 12. Even before the sharp economic downturn, incomes in Niagara were below the provincial average. The heavy reliance on jobs in the tourism sector, with provincial plans for new, large investments here, will not make up for these higher-wage industrial-sector jobs lost over the last few years.

Access to jobs between most parts of the region's 12 communities is severely restricted for those without cars, as there is no region-wide transit system and attempts to set one up have floundered for over 20 years.

Last Friday, the YWCA Niagara received word that funds for its very successful employment-for-women program in St. Catharines, the only one in the region geared towards the specific needs of women, would be cancelled. The St. Catharines Job Gym program, which was geared toward the needs of youth, was cut as well. Both these provincial cuts seem particularly counter-intuitive, given the lengthy and successful track record of these two agencies and the ever-growing employment needs of this, the largest city in the region, in which disadvantaged women and youth, along with older laid-off workers, stand at the back of the employment lineups.

Many people are running out of EI, and for older workers the job market is almost impenetrable. Front-line agency workers report of increasing numbers of homes being lost as people fall behind on their mortgage payments and banks foreclose.

To qualify for social assistance, the above-mentioned workers and others who have been unable to find jobs must divest themselves of all but a pittance of their financial assets.

Region of Niagara social assistance caseloads have increased 20% over the past year to 8,902, which represents 17,834 people and 6,079 children, about 43%, and the number of applications continue to steadily increase. The average length of time people receive social assistance has lengthened over the past year from 13.5 months to 20 months, a sign of our worsening job situation. Food banks report increasing numbers of out-of-work families, some of whom used to give help to these agencies, accessing their services for the first time.

Government clawbacks to the basic welfare rates for the family unit mean that families with children are still receiving less than they were 18 years ago in 1992, in the midst of another recession. A single parent with one child is over \$5,000 below the poverty line. Single individuals

now receive \$585 per month. That's only \$65 more than they received 10 years ago in 1998.

As of November 1, 4,506 households, or 8,321 people, were waiting for affordable housing. That's a 19% increase in the number of applications. The wait-list does not capture the full need for affordable housing, as many households in need do not bother to apply once they are aware of the long wait times. Many stay in substandard conditions or live in cramped, overcrowded environments or pay in excess of their income for shelter. Most social assistance recipients pay well over 30% of their income on rent, and many pay over 50%—often for substandard housing.

Front-line agencies back this latter point up and report that, due to provincial restrictions on what can be spent on shelter and the fact that the basic shelter components are well below the market rents, caseworkers are increasingly required to red flag recipients for paying too much, and some are pressured into moving to cheaper quarters or staying in cheap quarters that are substandard. One front-line worker reported that he knew of a mother who was only able to afford a unit that had exposed wiring.

Regarding the other community services, we note some of our issues of concern. For instance, there has been an uncertainty regarding ongoing funding and long-term investments in supportive housing, child care, mental health services, employment support programs and other programs. For instance, because of cuts to federal funding, many child care spaces may be lost, and co-operative housing will face challenges as mortgages come due soon and federal support runs out.

We are fortunate in Niagara that our regional Niagara government has spent almost \$3 million between 2008 and 2010. To date, 37 community development programs, administered by a variety of agencies, are taking place in at-risk neighbourhoods in Niagara. However, these programs change from year to year and are not region-wide. Given the depth of our economic crisis, the rapidly growing social assistance caseload and drain on other community services, as well as uncertain federal and provincial funding, it is unclear as to how long regional investments will continue.

Economists say that investments in people have huge economic benefits. For example, a University of Toronto study in 2008 showed that people in the bottom 20% of incomes in Ontario are more likely to have chronic conditions, and a \$1,000 change in annual income in the bottom fifth of the population would produce 10,000 fewer chronic conditions and 6,600 fewer disability days over a two-week period.

We urge this committee to recommend the following investments, as supported by many groups, that I've listed here:

—a restoration of the basic needs allowance to the levels of June 2009, as requested by the city of Hamilton's mayor;

—a \$100-a-month food supplement in 2010 to alleviate chronic cycles of hunger;

—an indexed Ontario housing benefit for all lower-income families and adults to ensure that shelter costs do not exceed 30% of gross income;

—an immediate increase in the maximum Ontario child benefit payment to \$1,500 per child, indexed;

—the establishment of a social assistance rates board to set social assistance rates and processes for providing social assistance, as recommended by Ted McMeekin in his bill in 2007—I think it's Bill 235;

—adequate core funding provided directly to child care centres and an improvement in the wages and benefits of child care workers;

—designated funding to save threatened child care subsidies;

—dental, drug and vision coverage to low-income workers and preventive dental care for those receiving social assistance;

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—further increases to the social assistance rates, tied to the rate of inflation, in order to pull people above the low-income cut-off line, as Newfoundland has done;

—an increase in the minimum wage to a living wage;

—investment in mental health services for youth in many areas of Ontario, such as Niagara;

—mental health centres for all ages, with a program to ensure that people get the help they need when coming back into the community;

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

Ms. Gracia Janes:—initial and ongoing substantive catch-up investments in affordable, accessible, appropriate housing;

—immediate evaluation and renovation of existing housing stock so that its use can be extended at least 40 years;

—multi-year investments in public transit;

—an allowance for the retention of earned income until people are truly independent;

—an investment in people with disabilities;

—a cancellation of the recent cuts to the YWCA and the Job Gym employment programs;

—a retention of assets for people of \$5,000 and families of \$10,000, and an increase in the allowance—

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

Ms. Gracia Janes: How much time?

The Vice-Chair (Mrs. Laura Albanese): Just finish that. You're already over.

Ms. Gracia Janes: Oh dear. Could I go to my—

The Vice-Chair (Mrs. Laura Albanese): That'll be fine. Thank you.

Mr. Michael Prue: It's my question. My question is, please continue.

Ms. Gracia Janes: Well, thank you. I'm allowed to continue? Thank you. I did practise this but it just didn't work.

The Vice-Chair (Mrs. Laura Albanese): That's fine.

Ms. Gracia Janes: —an increase in allowance for grandparents supporting grandchildren to the same level as foster parents.

In conclusion, I'd ask you to think of these four Hs: health, hiring, housing and help for those in need as you advise the government of what key investments must be made in 2010. We've heard from the Minister of Community and Social Services that the ministries must tighten their belts and that her ministry's priorities are health, jobs and education.

Therefore, we ask the following questions:

What is more important than an adequate income to provide healthy food for those in need and lower health costs in the future?

How can children take advantage of their schooling if they are hungry and how can poor parents work if there are not enough child care spaces?

What good is served in adding provincial dollars to the OCB while taking dollars out of the basic benefit? Don't children live in families who have to take care of them?

How much attention should be paid to medical experts who ask for adequacy?

Why wouldn't the government take advantage of the available savings provided by investments in housing?

Why not break down the ministerial silos regarding expenditures and savings and do a cost-benefit analysis and then move from there together?

What would be the financial benefits of taking advantage of the many jobs that can be created in the housing sector?

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

Mr. Michael Prue: How much time do I have left?

The Vice-Chair (Mrs. Laura Albanese): Oh, you have about—well, we're at one minute thirty seconds into your time, so three and a half minutes.

Mr. Michael Prue: Okay, terrific. So I get three and a half minutes of questions.

Ms. Gracia Janes: Excellent.

Mr. Michael Prue: What you've set out here is a very ambitious program, I think one that I heard many Liberals talking about last year or the year before when Deb Matthews had that file, and they promised great things. What I'm hearing from them today is that there is no money at all, that there's going to be belt-tightening and that poverty is no longer a priority. Have you heard anything different from what I'm hearing?

Ms. Gracia Janes: No. I've heard various ministers—I've been to Queen's Park with the council of women and I've read the report from another group that met with the minister, and it seems that social assistance and those kinds of expenditures are just the same as any other and that we have to tighten our belts and share. That's what we hear. We don't hear anything about spending money. There's a lot of talk. I mean, they've set up this committee, and they're going to be talking for another year.

I guess our position is, they've been talking too long. We've been talking since Deb Matthews became the assistant to Sandra Pupatello. We've moved on some of the rules, we've moved on some expenditures, but we have a real problem in that we're no further ahead than we were in 1992 in terms of welfare rates.

Mr. Michael Prue: One of the most egregious things—it's all egregious, but one of the most is that people are expected to have their assets go down to \$585 before they're eligible for welfare. Even right-wing economists will tell you that once you get that low, it is almost impossible to dig yourself back out. It wouldn't cost the government any money if they allowed people to retain \$5,000, \$10,000, whatever it was. When they need the assistance of the state they should get it. Do you think that this is something that won't cost that much money? Do you think that they should do it?

Ms. Gracia Janes: I think absolutely they should do it, absolutely, so that people have that time—they only have a short time, and then they have to somehow go out and find a job that isn't there and they have no money for contingencies. They can't get welfare—and they're just finding that out; in Niagara, they're just finding that out. We found out from the front-line people that people are shocked; they're appalled; they're devastated. What can they do? They don't have any money to fall back on. How much does it cost to get a bridge for your tooth? I know: \$2,600 last year. That would take half of what even we think is reasonable for a single person. It doesn't make any sense.

It's the same as the job program. You go two steps forward, you have wonderful programs, and they're cut. It's counterintuitive. People need that money, and it doesn't cost the government anything.

Another thing that wouldn't cost them anything is if the ministries would get together and do this cost-benefit analysis quickly and then just share that cost so that you can't pass the buck. It's like passing the buck: "Sorry, I can't give you this money because all the ministries are cutting back" and such.

What's most important? It's most important that people get jobs, it's most important that you support them in getting those jobs and it's most important that children are fed properly. It's important that people not be living in substandard conditions.

Another thing that wouldn't cost much—I mean it would cost a lot, but you'd get all sorts of other dollars—is housing. It is building those houses—

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

Ms. Gracia Janes: —because that's the way it goes: more jobs.

Mr. Michael Prue: Thank you very much.

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

AFFORDABLE HOUSING FLAGSHIP

The Vice-Chair (Mrs. Laura Albanese): We'll now call upon our next presenter, and that would be the Affordable Housing Flagship. Please come forward. You have up to 10 minutes for your presentation; that will be followed by up to five minutes of questioning by the government side. Please state your name for the purposes of Hansard, and you may begin.

Mr. Jeff Neven: Good morning. My name is Jeff Neven; I'm the co-chair of Hamilton's Affordable Housing Flagship. I've brought my colleagues here: Larry Huibers on my left, who's also a member of the flagship, and my colleague Renee Wetselaar, who's our project director for the flagship.

Who we are is a multi-sector group. We represent people of government, volunteers, labour, business and non-profits. It's actually a pretty neat group. We have a diverse set of people represented there, from bankers to real estate to builders to social workers. We all come with one objective, and that's affordable housing in Hamilton.

Why we've come here today is, first of all, to say thank you. Specifically, I want to say thank you for the commitment to funding affordable housing. In 2008 in Hamilton, there were 162 units of affordable housing built, so I say thank you. I say thank you particularly as a good-news story.

We have a package, which I hope has been passed out to you, that has a Hamilton Spectator article attached to it. You'll see a bunch of bullet points in there, and you'll see a wonderful program called Hostels to Homes. This is a program where your government allowed the municipality to use dollars that would be going into hostels to reallocate those into a program called Hostels to Homes.

Let me just be frank about what this means. The city of Hamilton has developed this program to get people out of shelters and into housing. It has been extremely successful. As a flagship, we applaud their work; 145 people in a time span of I think just over a year were housed. These are 145 people who are chronic users of homeless shelters. After 18 months, 110 of them were permanently housed, so there were some who didn't make it, but the vast majority stayed permanently housed. Last year, in 2008—I guess that's a year and a half ago now, but those are the last stats we have—there was a reduction of 18,000 bed nights in the shelters in Hamilton because of this program. What that is is a good-news story because the government allowed the city of Hamilton to use funds that were purposeful for shelters and to reallocate those into a creative solution that works.

There's the good news. The challenge: Let me tell you about a woman. I'll call her Betty. I've been in touch with Betty over the last couple of years. I ran into her again last week, and I asked her how she was doing. She said, "I'm back living in"—I won't use the name, but they're notorious apartments. Maybe you've seen it in the news where the landlord has been jailed for turning off the electricity and heat. She's back in those apartments. She's back living with her abusive husband. So what happened? Well, she has a disability. Her husband also has a disability. They live on disability. On top of her mental challenges, she has physical disabilities. She has cancer.

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She looked for an alternative to living in her setting—no heat, no hydro, an abusive husband. She ended up in a

home called a domiciliary hostel. Hamilton disproportionately has 1,000 of the 4,000 beds. Some are very good, but the majority are not. She experienced lack of privacy, lack of security and abuse from residents and staff. She chose to move back with her abusive husband to an apartment that routinely has its electricity shut off because it was the best choice. There's a problem.

I asked Betty, "But what about affordable housing? Couldn't you get in there?" She said, "Sure." I checked into the numbers this week, and Hamilton's affordable housing wait-list has grown. It had been plateauing for a number of years at around 4,000 households. This past year, due to a number of reasons, it has grown to 5,300 households. The wait-list for a single person looking for affordable housing—this was with the old number, 4,000—was already over 10 years. Somehow, Betty had to anticipate that she was going to get cancer and that her husband would start abusing her in 10 years so that she could get affordable housing.

In Hamilton, over 20% of renters spend more than 50% of their income on housing, shelter. It's not sustainable. It leads to homelessness. It leads to living in survival mode just to keep the house over your head and never really being able to get, as Maslow would say in his hierarchy of needs, to self-actualization—just struggling with the basic shelter over your head. We're not even talking food yet.

While I started by saying thank you, I say thank you because I know there is something that you can do. I know that there are creative minds around this table and in government and our community, and I hold out hope that collectively, we can change something. Collectively, we can make a difference. Collectively, we can help Betty.

I ask you not to only maintain the commitment for affordable housing but to make sure that's a robust commitment. I know that for 2010, the dollars have been allocated, and the commitment for the following three years has been allocated, but no dollars have been assigned. I challenge you to push your federal counterparts to match dollars that will make a difference.

While I said thank you for 162 units built in 2008, our numbers show that we need over 600 units per year to meet the need. I challenge you to find a way to commit to affordable housing. I challenge you, as my colleague who was here earlier stated, to look at the housing allowance for social assistance. One very practical way: If the housing allowance was somewhat in keeping with the actual cost of housing, then the private sector could be involved in that solution. If people with their social assistance could actually afford even the bottom end of the market, there could be a solution. So, please: A little over \$460 a month for someone on disability is not enough. It can't be done.

I challenge you to have a commitment to housing particularly for those with the lowest incomes. Of these 162 units I talked about, very, very few, if any, were suitable for someone who is on social assistance. The housing list continues to grow. We need a solution for those folks.

I thank the government for doing a long-term strategy for housing, but I really challenge that it crosses ministries and gets outside of just housing and goes into the Ministry of Health, for those who are struggling with physical disabilities, mental disabilities and developmental disabilities, and into the Ministry of Community and Social Services as well, and that it becomes a shared strategy, not just a siloed strategy.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation. Before I turn it over to the government side for questioning, I would just like to remind everyone who is present to please silence their cellphones. That would be much appreciated.

Mr. Arthurs.

Mr. Wayne Arthurs: I'm going to leave a bit of time for Mr. Craiton for a question or two as well, so I'm just going to start with one I have.

First I want to extend my congratulations. I'm just looking at your cover page, the Affordable Housing Flagship, the structure you have in place, the partnerships that are in place to make it work, clearly identifying a vision, some basic principles that you have. I would think it makes your efforts a little bit easier but it certainly helps us as well in being able to see the work that's being done.

Each of the organizations that we will see today and during the course of the week will have to be here to advocate on their behalf and for their needs. We understand and respect that process.

My question in effect will be, in addition to the thank you for thanking us, but apart from that—which is always appreciated—we know the fiscal constraints. We know them throughout the country, throughout the province. If the same number of dollars were available—and that's no guarantee, in this particular fiscal environment—if they were available for each ministry, for each program, how would you prioritize the existing dollars to maximize the benefit for your organization, for the folks that you're advocating on behalf of? That's the kind of question I'm going to be asking during the week: How would you prioritize the existing dollars if those were available for the purposes of your organization? I know it's not the question people want, but that's the one I'm going to be asking, I think.

Mr. Jeff Neven: The Affordable Housing Flagship recognizes the continuum of affordable housing and the need for it, right from shelter to affordable home ownership.

The segment that has had the most funds go to it is the 80% of market rent, so the 80%-to-market. It has been a very narrow focus on where the funds are going in affordable housing.

I would look to lower than that, to rents that are 65% of market and finding a solution for people who are in that area, as well as looking at the other end of the spectrum, to start to look at what affordable home ownership looks like and how we can help people to move from a renter environment into affordable home ownership.

Mr. Wayne Arthurs: So in today's world, then, it's looking to those in a lower bracket, from the standpoint

of getting them to housing, as one priority, and the other combined priority, is moving folks into home ownership, where we've captured, to a fair extent, that piece in between, if not fully captured by any means, but it wouldn't be today's priority with the dollars available.

Thank you, Chair. Mr. Craitor, I know, has a question.

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

Mr. Kim Craitor: Thank you very much. First I will echo the same comments as my colleague. It's nice to hear a thank you. We tend to hear at Queen's Park that we're doing nothing right. There's always more to do, and we know that. But it's nice that you acknowledge in Hamilton, for example, that some homes were put in place and people benefited.

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I will share with you: I am blessed with representing the riding of Niagara Falls, Niagara-on-the-Lake and Fort Erie, so I'm on the front lines. People are coming in every day looking for affordable homes, affordable accommodations. In our area, it's delivered through the Niagara region.

I was there. I was a member of city council when the government of the day downloaded it all on to the region, and they've had a lot of difficulty. I know some of the regional staff are here and trying to deliver something that they were not prepared for, having incurred an enormous amount of cost, as well; the way that it was done was not revenue-neutral. But I just wanted to share with you: When you sit in a provincial member's office, an MPP's office, you have organizations like yourself that come in and you support them wholeheartedly. When you leave, the next group comes in, lupus: "You're not giving us enough." The next group comes in, ADHD: "You're not giving us enough." And when the next group comes in, autism: "You're not giving us enough"—it does become a challenge for any government to try to say one priority should be above the other. You're trying to balance all of them. I'm only just trying to share with you, and I know you understand that. That's the challenge that we all face, no matter who's in government, how you can get everybody everything that they want and they're all satisfied with it. So, I know you can't answer that, or maybe you'd like to. I'll give you a few minutes.

Mr. Jeff Neven: I'm going to let Larry talk. I think you've got to push your button there, Larry.

Mr. Larry Huibers: You bring up an excellent point. You're feeling the exact same pressures that the households that we support feel every day. They're making hard decisions on where their limited resources go, and they're not comfortable with some of those choices. You're making those same hard choices. I ask you to apply that same empathy and understanding to how that will impact on those who are making those very difficult choices: "Am I going to pay for rent or am I going to pay for food?"

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

NIAGARA REGION

The Vice-Chair (Mrs. Laura Albanese): We will now call upon the Niagara region to come forward. You'll have up to 10 minutes for your presentation, which will be followed by up to five minutes for questions. This rotation will go to the official opposition. If you could please identify yourselves for the purposes of our recording Hansard. Thank you very much. You may begin.

Mr. Dave Augustyn: Thank you very much. I appreciate the opportunity to be here. My name is Dave Augustyn. I'm the mayor of the town of Pelham. I'm representing regional chair Peter Partington, who couldn't be here today. With me is Mike Trojan, the CAO—chief administrative officer—of the Niagara region. We want to thank you and members of the committee for travelling today to be here, coming through the fog that's out there today. Usually you can see the Falls from here. Member Craitor will certainly attest to that, no doubt, and perhaps the mayor of Niagara Falls indicated that during his presentation earlier today.

We're representing the Niagara region, but I just want to tell you a bit about the town of Pelham, very quickly. It's right in the centre of the Niagara region. The population is about 17,000. It's the highest point in the region, in the Fonthill kame. The region is made up of 12 diverse communities, and the region is the upper-tier level of government in Niagara. In the package there should be information about the 460,000 people who live here in Niagara and call it home.

We circulated, I believe, a slide deck that contains for the committee the Coles Notes version of what I'm going to be talking about in the presentation on behalf of the regional chair and regional council. The purpose of the presentation is to give you a Niagara flavour which hopefully will be considered as you help prepare the provincial budget. Specifically, we're going to provide a quick overview on the state of the economy here in Niagara to stress the importance of predictable and sustainable funding for infrastructure and social programs, to thank the government for its ongoing assistance in this regard, and to recommend that the government work harder to control the provincial arbitrator decisions.

The state of the Niagara economy: While Niagara ranks number one in Canada as a tourist destination, I regret to remind you that Niagara ranks number two overall in Canada for unemployment. At 10.8%, we rank second only to the city of Windsor, which is around 13%. On average, our citizens tend to be older, tend to have greater health problems, and are worse off economically than the rest of the province—on average.

Between 1997 and 2007, the Niagara economy grew by 26%, while the Ontario overall economy grew by 38%. During the same period, we experienced employment growth of 13%, in contrast to Ontario, which grew by 28%. We have been particularly hard hit with the loss of manufacturing jobs, the closure of the John Deere plant in Welland, Dana Corp. in Thorold, Atlas

Specialty Steels, and CanGro Foods, and the downsizing of General Motors, to name a few. In general, our household incomes are lower, and our youth are feeling that they have to leave Niagara to find good-paying jobs. Despite our number one rank as a tourist destination, even the tourism industry is lagging because of the downturn in the economy and other things, especially in the U.S.

But some realities that show how we feel we are in position for the future: First, Niagara is above the provincial average for producing college graduates, those who are workforce-ready. Niagara is strategically located, because we're within a trucker's daily drive to over 50% of the North American market. The popularity of our border crossing is actually surpassing that of Windsor and Sarnia. This trend supports the need for a GTA-to-Niagara corridor. We're also a region of entrepreneurs, with diverse business growth. In fact, we have an above-average number of small and medium-sized businesses, and investments like the Brock biosciences centre will help to incubate future businesses.

Niagara is working to create niche markets to see the real potential in alternative energy. Niagara Falls, certainly—and the rest of Niagara—is known as a huge success in renewable energy. We want to be involved at the forefront of that, so the region has participated in an initiative called Wind Niagara with a company locally. We've developed a small corporation to attract and grow wind power components, and our geographic positioning makes Niagara a perfect location for that. We also have the Abitibi paper mill building a half-billion-dollar cogeneration system at its Thorold mill, taking advantage of renewable energy.

We want to thank the government for the recent investments, and we want to acknowledge many examples of provincial assistance that we're benefiting from. We've received many millions of dollars from the stimulus packages. In fact, I did a calculation that in local jurisdictions, the area municipalities like Pelham, the province has invested \$65 million, and on the regional side another \$30 million. So more than \$90 million of provincial stimulus spending has been invested in Niagara. That brings the total share, when you combine the federal with the provincial with the local, to \$190 million worth of stimulus works being done. We sincerely appreciate that, your ongoing commitment to the widening of Highway 406, and the assistance in making the Niagara Convention and Civic Centre a reality. That's being constructed here, and you can tour that and see that. You've also helped with the creation of the Vineland Research and Innovation Centre, with things like the Niagara ambulance communications pilot, and also the uploading that the government has done and announced, with the municipal fiscal, provincial—Mike knows it, maybe.

Mr. Mike Trojan: Provincial fiscal services.

Mr. Dave Augustyn: The services review for municipalities in the province has certainly assisted the region with its finances. We're worried, of course, about the

uploading costs, because those affect social programs, and we want to make sure that those continue. Especially in this economic time, that uploading needs to continue.

We realize the current state of the economy provincially and the province's fiscal situation with your \$25-billion debt. We realize that most of that debt is because of the significant investments that the government has made that I've outlined, here in Niagara and elsewhere, and it's an effort to create jobs. We want to thank you for that investment and for the focus to create jobs.

I think the message we'd like to give here, aside from thank you, is that there is a need for ongoing, predictable investments. Long-term, stable funding is our largest area of need. Members may not be aware of the survey that was just released last week by the Federation of Canadian Municipalities. This survey of Canadians indicates that 96% of Canadians want the government to maintain or increase spending for local infrastructure. Canadians feel that we are lagging behind in infrastructure improvements and see that as a threat to their future prosperity. The survey says do not balance your books by cutting much-needed investments in our community infrastructure. That was released just last week.

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In Niagara, we estimate our long-term infrastructure needs to bring our existing infrastructure to its optimal state of repair and to grow our system to match anticipated growth will cost approximately \$1.6 billion over the next 10 years, and then there are the needs of the area municipalities to add to that. In contrast, we estimate that Niagara's taxpayers can afford to pay for about \$1.3 billion over the 10 years; that leaves a \$300-million funding gap over 10 years. I say "Niagara taxpayers" because we use an ability-to-pay philosophy at the region. We endeavour to tax well below the average annual increases in household income.

We agree with the province that infrastructure spending is one of the best and quickest ways to stimulate the economy and get people back to work. When people are working there's less strain on our jointly funded programs, which include the province, the region and social programs.

Niagara is currently also debating whether and how to integrate the existing transit system of Niagara Falls, St. Catharines and Welland into a regional transit system. Good transit could help serve students, employees and those looking for work. It could also be a better link for tourist features and the recently-extended GO Transit to Niagara. We know this is a focus of the provincial government and we encourage you to continue to provide the gas tax revenues for replacement vehicles.

The Vice-Chair (Mrs. Laura Albanese): We have about 50 seconds.

Mr. Dave Augustyn: Another item, the final item, is arbitrated settlements. I'm going to change course here a little bit. Over the last number of years, municipalities have been faced with escalating costs for labour, especially when it comes to fire and police services. A lot of this is because of the arbitration that has occurred with

settlements. What we're looking for is the province to come down quickly and hard and say that these arbitrations must look at the community in which they are arbitrating. They must look at the existing impacts in the community and they must look at the employer's ability to pay. I know they do that, but this is specifically for municipalities to look at the economic situation in the municipalities.

The Vice-Chair (Mrs. Laura Albanese): Thank you, but your time has expired. Thank you for your presentation and I would turn it over to the official opposition.

Mr. Norm Miller: Thank you for your presentation this morning. It seems to be a popular theme that having some predictable funding so that you can plan ahead and know about it from year to year—and even 10 years out, especially in the case of infrastructure—is the wise thing to do. We've certainly heard from the health care system that they don't know what their budget is going to be for next year starting April 1, and we heard from other municipalities that they don't know what their OMPF funding is going to be.

I know for the federal funding you get the gas tax. That's predictable, it's a percentage and it's over the long term. Have you got suggestions for the way you'd like to see long-term, predictable funding organized?

Mr. Dave Augustyn: I think some sort of program similar to the federal program for gas tax would be the suggestion. The province does have a provincial gas tax provision but that's for transit. That's why I talked a little bit about transit: The Niagara region is entering into that debate and may well go along that path. If we do, it's important that that vehicle—pardon the pun—is still there for funding of transit.

But I think if there's some sort of predictable nature for infrastructure funding to the area municipalities that would be of great benefit. For example, the Investing in Ontario Act that came out a few years ago was wonderful news and it supported a number of communities but it was sort of dropped on our laps and we didn't know too much about it. It's better to be predictable so that we can plan for it and budget accordingly.

Mr. Norm Miller: I don't have much time and I know my colleagues want to ask questions so I'm going to put two questions together. Arbitration: Can you summarize how much police and fire costs have increased in the last few years? It's obviously something that's becoming more expensive.

Also—totally unrelated—tourism: I know it's extremely important to your area. Are you getting enough marketing dollars? And the recent changes provincially—is anything happening on regional tourism marketing?

Mr. Mike Trojan: I'll start on the increased costs for emergency services. In terms of our police budget this year, we've tried to establish a guideline where costs are increasing by no more than 2% or 3% so that we're hoping our overall tax increase, we're hoping, is going to be between 1% and 2%. Police, for example, with their budget being driven 85% to 90% by salaries and wages,

can't get their increase anywhere below about 4.5% or 5%, so that means it's consuming a disproportionate share of that tax increase. Other things have to be pared back in order to accommodate those kinds of increases.

Mr. Dave Augustyn: In terms of tourism, the province just came down with some recommendations for various regions. That sent us all here in a tailspin because various venues—Niagara Falls, Niagara-on-the-Lake etc.—take care of tourism for their own areas, generally. Now the province is suggesting that it should be combined, so we'll have to figure that out. I don't know if I have a specific answer for you on that.

Mr. Norm Miller: I was just wondering if it had actually happened. I'll pass it on to my colleague because I know he wants to ask you something.

Mr. Peter Shurman: Thank you. I find it passing strange to listen to you talk about having the second-highest unemployment rate in the province and then nodding acknowledgement towards the McGuinty government. Let me ask you something very specific, and we have very brief time: You mentioned an initiative called Wind Niagara which wants to get involved in renewable energy from what is arguably the greatest energy source ever in the province of Ontario—Niagara region. How does Samsung, the investment that the government has just recently announced, impact your effort?

Mr. Dave Augustyn: I don't know if we have an answer for that right now. Mr. Trojan?

Mr. Mike Trojan: Yes, we're not certain. As Mayor Augustyn has mentioned, we've partnered with a local construction company for the placement of five windmills on the Lake Erie shore. That's our contribution to it; we're in a 50-50 partnership—

Mr. Peter Shurman: But you don't know at this point what the impact would be because the deal that has been made would take up about half the capacity that has been allocated. There are a lot of independents who are going to be left out in the cold, notwithstanding the investment they made in their plans. That's the context in which I'm asking the question.

Mr. Mike Trojan: Yes, we're not certain of what that impact will be.

Mr. Dave Augustyn: It's just so recent, the announcement, and regional council certainly hasn't dealt with that. I anticipate those questions as we move forward over the coming weeks, but we don't know the answer right now; I'm sorry.

Mr. Peter Shurman: Okay.

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

Mr. Peter Shurman: Then I'll just say that the \$25 billion that you mentioned—I think you said “million” when you spoke—

Mr. Dave Augustyn: I'm sorry. Billion; yes, we know that.

Mr. Peter Shurman: It's a deficit, not a debt, and it's this year alone. There's more to come, so your transit issue and the social assistance problems that we've been hearing about I think are going to be aggravated.

Mr. Dave Augustyn: Thank you.

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

TOWN OF LINCOLN

The Vice-Chair (Mrs. Laura Albanese): We will now call upon the town of Lincoln to come forward. You will have about 10 minutes for your presentation; that will be followed by up to five minutes for questioning. I would ask you to identify yourselves for the purposes of our recording Hansard before you begin.

Mr. Bill Hodgson: Good morning, everyone—Madam Chair and members of the committee. Thank you for allowing us to be here today. I'm Mayor Bill Hodgson of the town of Lincoln. With me today is our CAO, Anne Louise Heron.

First of all, I guess I want to express my community's appreciation, and I want to zero in today on two items. The first item is with respect to the uploading of social program costs. I want to tell this committee that my community certainly appreciates the uploading initiative, which is intended to transfer the burden of certain social services costs from the property tax base to a more appropriate provincial tax base. If you like to hear good news and congratulations, I think that's a common message across the province. That's certainly not at issue here today. What is at issue, however, is the implementation of the PMFSDR agreement across Ontario and the unfortunate lack, we believe, of transparency and accountability to Ontario taxpayers.

Let's start with the basics, if we may. This is a subject that you can discuss at various levels. I think what's appropriate for the timeline today is really to cut to the basics. "Uploading" means that taxpayers' money, most simply, is sent to the province instead of having the taxpayers send those funds to the municipality. If the municipality fails to remove uploaded costs from the base budget, the revenue that the municipality continues to collect and use on new or increased expenditures is, in fact, a new tax. If we do not treat it as such, for all intents and purposes, it becomes a hidden tax that is not clearly reported to the taxpayer. Unfortunately, the common practice that has taken root across the province—this is the third year of implementation of the agreement—is to leave the uploaded costs in the base budget.

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Locally, in Niagara, we've had very, very extended debates about that at the regional level, with some success. Certainly our regional council has agreed, and the Minister of Municipal Affairs and Housing encouraged us to have that discussion and that debate locally. However, unfortunately, across the province it is common practice to leave the uploaded costs in the base budget, failing to make the appropriate annual base budget adjustments.

A base budget adjustment has not been required in regulation in annual reporting, and that's the key point to our ask here today. As a result, there's very clear evi-

dence that municipal representatives are of the belief that uploading costs leaves in its wake virtual found money that can be spent with no impact on the taxpayer.

A quick review of press coverage of municipal budget processes across the province—there are a lot of processes under way right now. We get our budget at the town of Lincoln done before the new year; we finish so we can have a little bit quieter Christmas. However, most are just embarking on the municipal budget process right now. Daily, you can go to the press coverage, and it clearly shows that this message is commonly being delivered to an unsuspecting public.

Just this morning, I noticed that there's a public meeting scheduled this evening in Ottawa, for example, regarding their budget process. Coverage indicates very, very clearly that the message that there's found money—it's, in fact, being referred to in the article that I happened to clip this morning. They're treating it as money that is being sent to them by the province.

Uploading is not a source of revenue, nor is it a grant. It's not income for municipalities. It is not a bag of money that a council can spend. Uploading relieves a burden on the property taxpayer, but it only relieves that burden if the amounts are clearly removed from the property tax base annually, as the PMFSDR agreement is phased in, in advance of the preparation of the next year's expenditure program.

I hope that members of the committee share my concern that by 2018, property taxpayers in the province of Ontario could be paying up to \$1.5 billion annually in new, tax-levy-supported municipal expenditures. Without the reporting requirement, without the base budget requirement, far too many of these expenditures will have been embedded in the property tax base without the benefit of both clear notice—transparency for the public—and fully informed deliberation by their elected municipal representatives in public consultation.

At the back of your package, I've included a graphic, and I'm just going to quickly refer to it, because I find sometimes it's useful to try to, again, clarify the point. If you notice, it's called "The Upload Issue." On page 1, I think the most salient point is that you will see there's one bag of money. Where we have the "transparent and accountable scenario," in the most simplistic graphic that we could produce, you see that the taxpayer makes out the cheque. He doesn't send it, after downloading, to the province any longer. They make their cheque payable to the municipalities for the social programs that landed on their table after downloading.

After uploading, as we phase in the agreement, the basic intended impact is that that taxpayer once again makes out their cheque, only they're making it payable now in a stepwise fashion to the province of Ontario and no longer sending that bag of money to the municipalities.

The second page: Again, the key point here—and it's just as simple as it seems—is the situation that we find ourselves in with the virtual found money scenario, where there is money to the province and the taxpayer

writes the cheque. There's also some kind of money left behind, and unfortunately, too often, it happened in Niagara, and it is happening across the province in many, many municipalities—I can't say all because I can't possibly be watching all. But the suggestion is being made and the message is being delivered to an unsuspecting public that two bags exist now after uploading at no new cost to the taxpayer. The reality is, of course, and we know—and that's when we go to the bottom of that page—two bags of money, two cheques. That's the impact on the taxpayer.

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

Mr. Bill Hodgson: Sure, thank you. I'll do it quickly. I'll just finish.

We've been working on this issue for well over a year now, both here in Niagara and in direct communication with the Ministry of Municipal Affairs and Housing, the Ministry of Finance staff and AMO representatives.

Defenders of this unfortunate practice that has emerged from the agreement are distinguished by their insistence that uploading costs leaves a bag of money in its wake. To defend their position, issues are raised that are not material to matters of transparency and accountability. What is not at issue is that the burden of social costs on property taxpayers has impeded Ontario's capacity to make necessary infrastructure investments since the late 1990s. That is not at issue, and that's easy to argue. Nor is it an issue that there is a legitimate case to be made for planning and implementing catch-up or gap-closing programs of infrastructure investments across Ontario. These can be justified today very easily, but they have to be justified transparently.

It's not an issue that lack of transparency is the necessary consequence of respect for local decision-making. What is at issue is a public kept in the dark regarding new levy-supported spending. There is also clear evidence that a plurality of elected representatives have been seduced, either wittingly or unwittingly—and I suspect mostly unwittingly—by the opportunity to present the uploading benefit to the public as found money. This undermines both accountability and transparency.

In summary, trust in the integrity of our public institutions and trust in public accounting are what is at stake. That trust in public accounting, we all know, is going to be a crucial element both in the current economic recovery and in the successful transition through the looming period of restraint. This is not a blame game. Let's just get it right with a simple regulation to require a municipal-based budget adjustment and reporting of this adjustment to the province and to the communities we serve. The cost of this recommended action is negligible, but the cost of no action will have far-reaching and avoidable negative impacts, both upon the public trust and indeed upon the long-term fiscal position of many municipalities.

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

to the NDP. Mr. Prue, you have up to five minutes for questioning.

Mr. Michael Prue: This is, to my view—and I don't mean to downgrade what you're trying to say—a very slight, little problem with municipal councillors and mayors being honest about the money. Really, that's all that's at stake here, or have I got what you're saying wrong?

Mr. Bill Hodgson: I'm not suggesting that they're being dishonest. I think, actually, what happens is it's just seductively convenient to be able to absorb your inflationary costs, continue to collect the funds that are embedded already within the base budgets and not justify. We see it across the province. We had a 2.8% budget laid out for us, and it wasn't—we're not finished yet. Here in Niagara, 10.1% is our starting point. It doesn't do any favours to the public. If inflation is what it is, and you need to absorb it, if uploading—and indeed, uploading does provide municipalities with a way to cushion the impact of absorbing those new costs. The public deserves—and the public's very smart—to know that this is kind of a one-time opportunity to do this, but the reality is inflation is driving costs higher and higher. So let's not put our head in the sand; let's not pretend that things are really rosy in municipal land, because they're not. We actually have big challenges.

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Are we being helped by our provincial partners? Absolutely. It's not meant to criticize anyone who has participated in developing the arrangement and the program for uploading. It's absolutely defensible. But what needs to be told and what's not being told often enough is the fact that the inflationary drivers and the cost drivers at the municipal level are serious, and in fact, we might as well tell the public the truth about that. I think that's what the public expects and deserves.

Mr. Michael Prue: You also had a second point that you never got to, and I think it's a serious point, about having a new risk management program for the fruit and vegetable sector. We remain—at least I remain—concerned about what is happening with the pave-over of farmland, the loss of the agricultural sector, the closing of the only canning factory east of the Rockies in the last couple of years here in Niagara. Can you just explain a little bit about that, because I think we need to hear about that too?

Mr. Bill Hodgson: Yes. The town of Lincoln is fairly unique; we're not alone, but we're fairly unique in the greenbelt. We've attempted to be—and I like to use and I unabashedly use the term that we would like to think of ourselves as something of the poster boy for the greenbelt. We know that there are huge benefits to the province of Ontario, to the country, to our whole world, as a matter of fact, for the greenbelt initiative and its objectives, and we can appreciate that. It comes, however, with some challenges with respect to sustainability, not the least of which is the fact that ours is an intensive horticultural protected countryside around our small towns. The issues that threaten—and truly there is a great

threat that we will lose the human capital that in fact is so important to our agricultural industry. We've just watched a lot of investments being made in infrastructure, and the idea is that those investments will in fact have a long-term, supportive impact on industry and our jobs and so on and so forth.

The agricultural community is at a crossroads today. We are losing—there is a huge threat that we will lose all of our human capital. I returned to the farm myself and had the opportunity—

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

Mr. Bill Hodgson: I had that opportunity to make a living. My kids will never return to my farm. There are some natural processes, I understand, of increasing the scale of operations, but the whole industry relies on the family-farm model, ultimately. Even the biggest businesses in the greenhouse industry, in the vegetable and fruit industry, will tell you that they need the commitment and they need that human capital of the family-farm unit to try to sustain what is a marginally profitable industry at the best of times.

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

CANADIAN MANUFACTURERS AND EXPORTERS

The Vice-Chair (Mrs. Laura Albanese): Now I call on the Canadian Manufacturers and Exporters to come forward. Good morning. You have up to 10 minutes for your presentation. There could be up to five minutes for questioning. Please identify yourselves for the purposes of our recording Hansard. You may begin.

Mr. Ian Howcroft: Thank you very much, and good morning, everyone. My name is Ian Howcroft and I'm vice-president of Canadian Manufacturers and Exporters, Ontario division. With me is Paul Clipsham, our director of policy.

CME is Canada's leading trade and industry association and the voice of manufacturing and global business in Canada. Our association represents more than 10,000 leading companies nationwide. More than 85% of our members are small and medium-sized enterprises.

As Canada's leading business network, through various initiatives, including the establishment of the Canadian Manufacturing Coalition, we touch more than 100,000 companies from coast to coast and engage in manufacturing, global business and service-related industries. Our membership network accounts for approximately 82% of Canada's total manufacturing output and 90% of the country's exports. I think it's important to highlight a few facts about manufacturing and help put our full comments into better perspective.

Despite the economic challenges, the manufacturing and exporting sector continues to be the largest single business sector in Canada, contributing approximately \$300 billion to the province's GDP. It represents approximately 800,000 direct jobs in Ontario. Another 1.5 mil-

lion Ontarians are indirectly employed because of the manufacturing sector. Another important fact is that every \$1 invested in manufacturing generates \$3.25 in total economic activity, the highest economic multiplier of any sector.

Manufacturing and exporting are on the cutting edge of Ontario innovation. Seventy-five per cent of all private sector research and development takes place in manufacturing. Thirty per cent of these jobs would be classified as creative jobs that are high-skilled and high-paying. However, we feel strongly that it would be a strategic mistake to passively allow the remaining 70% of these jobs to go to emerging markets on the basis that these economies have lower labour rates or they're not important to Ontario. Ontario must value all occupations while fostering creativity and innovation. We need to work together to develop a strategic plan and a vision for the future of manufacturing in Ontario.

We are emerging from what has been a deep and protracted recession. Manufacturers and exporters have been impacted significantly. Manufacturing shipments are down about 13% from a year ago, and our November survey results indicate that 68% of companies had to cut their workforce over the last 12 months. However, companies are adapting quickly to rapidly changing circumstances. They are taking the necessary steps to survive in this very challenging environment.

CME was pleased to see the Ontario government take bold steps to address some of these challenges that are impacting manufacturers and exporters. For the record, we want to state that we strongly support the harmonization of the PST with the GST, corporate tax rate reductions, significant new infrastructure spending, and measures to encourage skills training and development. These initiatives have helped with the recovery and continue to make Ontario an attractive place to invest over the longer term.

We know that we must not become complacent in the knowledge that we have made great strides. Other jurisdictions have not and will not remain idle. CME encourages the government to implement additional measures that will free up cash for manufacturers to make investments in innovation and productivity and ultimately allow them to hire more individuals.

Under the present fiscal constraints, it's critical to focus government resources on interventions that drive new investment. Again, it's important to remember that manufacturing investment is the highest single multiplier of any sector of the economy. Manufacturers and exporters will evaluate this budget and the government on the net benefit of all activities. There's a danger that the significant progress that has been achieved on tax reforms will be eclipsed by other risks that could dampen investor confidence. Examples of these include energy—electricity—costs, the WSIB unfunded liability as it continues to grow, pension reform measures that increase pension costs or the costs of administration, and new regulation and enforcement on health and safety, environment and accessibility, to name a few. The gov-

ernment must take action to ensure that the overall business environment is favourable and sufficiently competitive to retain and grow manufacturing investment in Ontario.

There's a real opportunity for this budget to address priorities that will not cost the government a lot of money and will have a significant positive impact on existing and new businesses in Ontario. Some of these areas include regulatory reform, energy regulation and the relaxation of the pension funding rules on a long-term basis. New orders are picking up and fewer companies are reporting additional layoffs. However, we are also witnessing the re-emergence of issues such as the strengthening Canadian dollar, input cost pressures, restricted access to financing, and regulatory burdens that threaten to curtail these positive early signs.

In this context, CME has the following recommendations to address these concerns and foster a more fulsome recovery for the manufacturing and exporting sector in Ontario and the economy as a whole. In 2008, the Ontario government made a modest investment in CME to design, develop and deliver a program that would help manufacturers address and improve productivity challenges, particularly in the areas of "lean," IT and energy efficiency. We called this our SMART program. This grant of \$25 million has allowed over 400 companies and facilities to implement a productivity plan at their operations. This has ensured the retention and creation of thousands of jobs and improved operations that are helping Ontario companies to better compete in the global marketplace. Given the success and ongoing need, we hope this committee will unanimously support continued investment in this important program.

I'd now like to turn to Paul Clipsham and ask that he talk about some of the specific recommendations from the tax perspective.

Mr. Paul Clipsham: Thanks, Ian.

As Ian mentioned, CME is very supportive of the HST. We do have two recommendations to improve on that. The first is that we'd like to see the elimination of the input tax credit restrictions for large businesses as quickly as fiscally possible, and we'd like this government to consider mitigation for those manufacturers that will be negatively impacted in terms of cash flow.

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There are also three areas that CME feels should be addressed going forward, including monetization of all existing and future tax credits; complete elimination of the corporate minimum tax, the CMT; and property tax equity for manufacturers.

In order to generate cash flow for companies that are not currently profitable or those that are looking to make significant new investments, the budget should make all new and existing tax credits refundable effective January 1, 2010. During difficult economic times, when companies need to invest, they require immediate cash support. If they are in a loss position, they cannot immediately benefit from tax credits. Making tax credits refundable will provide more effective stimulus for companies to

sustain their investments in innovation throughout this period of economic challenge.

The following existing credits should be considered for refundability: the scientific research and experimental development tax credit, and the corporate minimum tax. We also would like to see that eliminated effective January 1, 2010.

CME also recommends new tax credits to encourage investment in targeted areas, including green energy deployment, research and development, investments made to upgrade or retool manufacturing equipment and machinery, and training. These measures would include providing a refundable tax credit for new investments in manufacturing and processing equipment, effective January 1, 2010, and a refundable employer training tax credit to encourage investment in skills development and training, to ensure a continuous improvement focus at a time when such investments are most difficult.

The reduction of the CMT rate to 2.7% was welcome in the last budget. However, the CMT is not a significant source of revenue for the government and continues to be an administrative and financial burden on companies. CME recommends that the government eliminate the CMT entirely.

Inequities in the property tax system are widespread in Ontario, with industrial taxpayers bearing a disproportionate burden. A recent study by Walker Poole Nixon LLP analyzed industrial, commercial and residential tax rates across seven jurisdictions in Ontario. On average, industrial rates were 35% higher than commercial rates and nearly 400% higher than residential rates. Whatever the historical rationale for levying these disproportionately higher rates to the industrial base, it clearly no longer has a basis. CME recommends that the property tax rates for manufacturing and industrial facilities be reduced to that of commercial wherever such disparities exist across Ontario.

CME has been consistent in our support for the comprehensive tax reform that this government has implemented to date. The significant reductions in the marginal effective tax rate in Ontario will clearly improve the prospects for new and existing manufacturing investment in Ontario.

We also know that the tax environment is not the only part of the investment decision, and we are concerned that regulatory and other business costs threaten to undermine the progress that has been made on the taxation front. There are a number of areas that CME has identified as a concern that cumulatively represent a real risk to the positive achievements in the previous budgets.

The Vice-Chair (Mrs. Laura Albanese): You have 40 seconds left.

Mr. Paul Clipsham: Thanks. The WSIB unfunded liability is approximately \$12 billion, and CME is calling for the government to establish a royal commission to review first principles on WSIB.

CME has also been supportive of the Open for Business initiative, and we encourage the government to continue with that, to make real change for manufacturers.

CME is also very concerned with the impact that rising energy costs are having and will continue to have on manufacturers, if not addressed quickly.

In conclusion, the comprehensive tax package from the previous budget will allow manufacturers and exporters to retain more of their money, which they can use to make the necessary investments in order to remain competitive and ensure a more rapid and sustained economic recovery.

CME also feels that the recommendations we have highlighted here today are necessary to fully realize Ontario's vision of more jobs and growth.

Thank you very much.

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

Mr. Wayne Arthurs: Thank you, Chair. Welcome to CME, both Ian and Paul.

Ian, the last time we saw each other across this table, it was with Bill 218 and we were in committee at that point in time. We've managed to now implement the personal income tax cuts as of January 1, which obviously we are quite pleased with.

We had a very short window of time available to us. I think my question was—that very day, the feds had been dealing with the HST question as well. I think I asked you at that point whether you felt the decision by the feds, as well as what we were doing, would have a positive impact in the national and international scope of how Ontario would be seen—and presumably BC, if they go the same route. With the time you had, which was about 10 seconds, your response was, “In one word, yes.” Do you want to take a couple of minutes and just maybe, if you'd like, enhance that response: “In one word, yes”? What were you thinking then?

The second question I'm going to have, for either yourself or Paul, is a little more elaboration on the elimination of the input tax credits for large business, as quickly as possible.

Mr. Ian Howcroft: Okay, thank you. I'll start off and then turn it to Paul.

To embellish, yes, we think that's the way it is. If you look around the world, almost every jurisdiction has gone to a value-added tax. It's only the United States that hasn't moved in that direction. It makes tax sense, it makes economic sense, and it makes sense for not just the businesses in Ontario but all Ontario residents and all Canadian residents. It allows for a more efficient system. It allows us to focus tax collection on where it can have the biggest difference and allows us to maintain the quality of living and the standard of life that we have here much more easily than through the old taxation system.

So, yes, we are very supportive of that and have long called for a value-added tax. We have been encouraging and promoting and supporting harmonization since the GST first came to the federal government many, many years ago. We think it's a win for everyone—not just businesses, but for Ontarians across the province.

Paul, do you want to add to that or talk about the other aspect?

Mr. Paul Clipsham: Sure. All of the reports that we've seen from credible sources, economists, have said that the HST is going to result in some positive initiatives coming out of that, including more investment in manufacturing. So certainly we're very supportive.

As far as the ITC restrictions, companies with above \$10 million in sales—some very important companies in that category—are restricted in terms of what they can receive input tax credits for. That represents a barrier to the full positive outcomes from the HST for those companies and for the economy, so we certainly would like to see those eliminated.

Some of the restrictions also create an administrative challenge for companies—for example, the energy used in non-productive use of energy—so that you have to have an audit. It remains to be seen. We'd actually like to see some more consultation on how that could be done easily and effectively so as to not create real challenges for companies.

Also, the time frame for elimination is fairly lengthy. It's five years, and then eight by the time it's totally eliminated.

Mr. Wayne Arthurs: Chair?

The Vice-Chair (Mrs. Laura Albanese): Two minutes left.

Mr. Wayne Arthurs: To Mr. Sousa, please.

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

Mr. Charles Sousa: Yes, thank you, Madam Chair. Ian and Paul, thank you for your presentation.

You mentioned briefly about the marginal effective tax rate on capital and the savings, which will be about a 50% cut from where we are now, at around 32.8%. It'll go below 21.8%, below OECD, making us more effective. You also touched upon the input savings and the reduction in compliance costs through the burden of managing the accounting and the auditing.

My question, then, with all the savings and the benefits that are provided for business—one of the questions we always get also in our offices is, “What does that mean to consumers?” There are two questions. One is, is the timing right to do this now? The second one is, will the savings really accrue to the consumer, as has been shown in the Atlantic provinces?

Mr. Ian Howcroft: Well, again, I'll start. Yes, we think the timing is right. It makes, in our view, no sense to delay to another time. We think the timing is actually late. We'd be better off if this had been done many, many years ago. So in our view, it makes no sense to delay this. It should be implemented immediately.

If you look back over the costs that manufacturers have faced over the last 10 years, you will see that the price of the products they are selling has only gone up about 3.5% to 4.5%. Input credits have gone up by 30% to 40%—in energy, 140%. This will allow them to take off some of the pressure they're having globally, so it will have a positive impact overall—

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

Mr. Ian Howcroft: —on what consumers are paying. The competitive pressures will come to bear.

Mr. Charles Sousa: Thank you.

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

Mr. Ian Howcroft: Thank you very much.

RETAIL COUNCIL OF CANADA

The Vice-Chair (Mrs. Laura Albanese): I would now call the Retail Council of Canada to come forward. You'll have up to 10 minutes for your presentation. That will be followed by up to five minutes of questioning. Please identify yourselves for the purposes of our recording Hansard. Thank you, and you may begin.

Mr. Gary Rygus: Good morning. My name is Gary Rygus. I'm the director of government relations, Ontario, for Retail Council of Canada.

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On behalf of RCC's members operating across the province of Ontario, thank you for the opportunity to appear before the committee today.

Retail Council of Canada has been the voice of retail since 1963, speaking on behalf of members who operate more than 40,000 storefronts nationally, 16,000 of which are in Ontario. We represent an industry that touches the lives of most people in the province. Our members represent all retail formats: department, specialty, discount and independent stores, and online merchants. While we do represent large mass-merchandise retailers, the majority of our members are in fact small, independent merchants.

As an employer, retail is number two in Ontario—although after the comments that I heard from the CME, we might be tied—with more than 830,000 jobs, generating \$151 billion in sales annually.

Retailers invested over a billion dollars in Ontario in 2009 and continue to invest in the province. According to StatsCan, Ontario sales were down 3.9%, year to date. The year will end with sales being flat or slightly negative. Ontario will be in the bottom third of provinces, along with BC and Alberta. Retailers hope to generate sales in the positive, low 1% to 2% range for 2010.

The average wage for sales staff is almost \$16.75 per hour.

According to the Conference Board of Canada, consumer confidence is soft. Consumers are very cautious. However, economists are the only people saying the recession is over. Consumers haven't seen it yet. This creates challenges for retailers. Job losses are unnerving consumers. The softness is driven by the financial turbulence in the world and the slowly recovering economies in many countries.

Faced with this challenge and fragile future, government must focus on improving the conditions for economic development. The government must develop a positive, job-creating environment.

RCC supports the leadership Ontario has pursued with the adoption of the HST approach as part of its tax reform package in 2009. This will create jobs in the longer term and make Ontario companies more competitive. Retailers commend the government on this approach. Stay the course.

More needs to be done for controlling business costs now. We offer several recommendations.

First, in an ideal world, Ontario should freeze its minimum wage at \$9.50 because of the current economic conditions. However, retailers understand this will cause challenges from a social policy perspective. As a potential win-win proposal, RCC is suggesting that the 75-cent proposed increase scheduled for March 31, 2010, be implemented over a three-year time frame in 25-cent chunks, after which a third party should review and be responsible for future adjustments to minimum wage.

Research done by Ontario in 2007 revealed that minimum wage increases impact on part-time workers with little job experience, primarily students and youth. Overall, 50% of minimum wage workers are youth aged 15 to 24 who live with their parents. Thirty-one per cent are couples. Almost 70% have a spouse employed at a job above the minimum wage. About 11% are unattached individuals, and 7% are single heads of families.

Canadian evidence would suggest that a 10% increase in minimum wage is likely to reduce the employment of teens by 3% to 6%, and slightly lower for young adults. I would suggest to you that this is providing unintended consequences of the minimum wage increases.

Bottom line, minimum wage increases do not create jobs. Retailers will be forced to move full-time jobs to part-time status and cut part-time hours. No new jobs will be created.

In addition, the government must find additional ways to reduce taxes and fees on businesses. For example, raise the employer health tax exemption threshold from \$400,000 to \$1 million, and freeze WSIB premiums for the next three years.

In addition, harmonize provincial environmental fees with other jurisdictions. This would give all Ontario businesses a significant boost to their competitiveness, especially when one considers the benefits of implementing the HST. Over time, retailers will pass on price reductions as a result of implementing the HST.

Retailing is an extremely competitive environment. If your product is not priced appropriately, consumers will buy from someone else.

We recommend the government work with other provinces to harmonize product stewardship programs. We would remind the government that retailers must continue to be permitted to show environmental levies separately on the sales receipt. The approach is consistent with the approach used under the HST.

In addition, fast-track the Open for Business initiative. Change the way government creates legislation: Adopt a business lens to focus legislation by asking the question, "Does it add economic value?" by quantifying the changes containing sunset provisions for legislation.

However, this approach requires a total mindset change. Now is the time to take up the challenge to create jobs.

On behalf of the Retail Council of Canada, I thank you for your time. With only 334 days before Christmas, please remember to shop each and every day at your local retailer. The Ontario economy and the government will thank you.

The Vice-Chair (Mrs. Laura Albanese): This round of questioning goes to the official opposition. Mr. Miller.

Mr. Norm Miller: Thank you very much for reminding us how many days we have left for our Christmas shopping. Unfortunately, I'll probably still end up doing it in the last 10 or 15 days.

Mr. Gary Rygus: I believe that's a male thing.

Mr. Norm Miller: One of the points that you talked a bit about in your brief is the cost to your businesses of regulation. We heard from the Canadian Exporters and Manufacturers that they're concerned about the WSIB, accessibility, and health and safety. Have you seen a change in regulations in the last few years? Do you hear from your members about any particular regulations or has the burden of regulation increased in the last few years?

Mr. Gary Rygus: It's a very good question. From the retailer perspective, regulation has increased significantly, primarily in the labour and environmental files to date. WSIB is an issue facing all businesses, not just retailers, especially when you look at the \$12-billion unfunded liability. It needs to be addressed forcefully and it needs to be put on a more sustainable funding pattern for the future. So we would strongly support activity to take place that would improve the WSIB.

You talk about the disability file; a lot of standards are in the works to be introduced on that front to make Ontario more accessible in the future—

Interjection.

Mr. Gary Rygus: Yes, by 2025. We generally support the intent of that legislation, but perhaps it could be going at a more reasonable pace, especially in view of the current economic conditions.

Mr. Norm Miller: I hear a lot about WSIB in my riding and through meeting with various groups. I met with the Ontario Electrical League last week, and that was a big issue for them—a totally different sort of business. Have you any suggestions on an approach with WSIB and that \$12-billion unfunded liability?

Mr. Gary Rygus: The favourite response or the easiest response traditionally has been to raise premiums to businesses because that's an easy one. What needs to be done is to look at all the components of the unfunded liability and that would be also to re-examine the level of benefits that injured workers are receiving in the province. There have been a number of businesses that have gone out of business in the last year and I understand that WSIB revenues have gone down \$340 million over the last year, so one has to also take that into consideration. You can't just ratchet up premiums without looking at the other side of: What kind of benefits are you offering to injured workers?

Mr. Norm Miller: I know my colleagues have questions. The loss of compensation for collecting provincial sales tax: Is that an issue with your members?

Mr. Gary Rygus: Could you please clarify?

Mr. Norm Miller: When you collected provincial sales tax, a retailer would get up to \$1,500 a year. Now you'll no longer get that.

Mr. Gary Rygus: It is not a large issue for our members; it's more of an issue for the smaller members. If you look at the entire tax reform package that allows for input tax credits, a lower corporate income tax rate and a certain amount of transitional relief, our members are very supportive of the HST piece as it stands.

Interjection.

Mr. Toby Barrett: Thank you. As you say, minimum wage increases generally do not create jobs. I think that's particularly true during our present economic times. In your business, it's probably more important to, rather than having kids hang out at the malls, maybe have them working in the business establishments in the malls.

Just very quickly: You talk about research commissioned by Ontario finance in 2007. Now, is that the Ministry of Finance or—what is that?

Mr. Gary Rygus: That is correct. Morley Gunderson, a professor from the University of Toronto, did the study.

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

Mr. Peter Shurman: Okay. I have a quick one, then. You talked about raising the EHT threshold for businesses, I think, at the \$1-million level or under. That sounds like a reasonable idea. But just from what you know of the financial circumstances in which the government finds itself this year and going forward, where do you think it's going to come from?

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Mr. Gary Rygus: It's a very good question. When you look at the submission that we've made, we talked about minimum wage and WSIB. Those are two initiatives that will have no impact on the consolidated revenue fund.

The EHT, granted, will cost a few million dollars to increase the threshold, but I would suggest to you that there's a larger danger when we haven't kept up with our neighbouring provinces. For example, Manitoba has a \$1-million threshold on their own payroll tax, and some of the Maritime provinces have \$1.25 million. So it's all about being competitive.

I think that we now need to show additional leadership by creating further jobs. This may have a temporary setback on the CRF, but in the long term it will create more jobs and allow the economy to prosper, as it needs to.

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

Mr. Gary Rygus: Thank you.

ONE SCHOOL SYSTEM NETWORK

The Vice-Chair (Mrs. Laura Albanese): Now we will move to our next presenter. I would ask the One

School System Network to come forward. You have up to 10 minutes for your presentation. That will be followed with questioning for up to five minutes. I would ask that you kindly identify yourself for the purposes of our recording Hansard. Whenever you are ready, you may begin.

Mr. Bryan Kerman: Good morning, Madam Chair and members of the committee. May I begin by introducing myself and my colleague? I am Bryan Kerman and I am the coordinator of the One School System Network. With me is Malcolm Buchanan, who is a member of Civil Rights in Public Education.

The One School System Network, OSSN, consists of organizations that include the Muslim Canadian Congress, Education Equality in Ontario, the English and French public school trustees for one school system, the Hindu Conference of Canada, the Centre for Inquiry Ontario, and Civil Rights in Public Education, among others.

The objective of the network is to coordinate these groups that have a common goal of the establishment of a single, non-sectarian, publicly funded school system in Ontario. The committee can read more about us in the OSSN background, which we have supplied.

Such a one-school system was supported by at least 70% of 500 GTA citizens polled by the Toronto Star just before the October 2007 provincial election. OSSN polls show that support may be higher elsewhere in Ontario.

The single, non-sectarian public school system we envision will be made up of English- and French-language public school boards. In fact, it will look much like the system now in place in Quebec, after Quebec achieved a constitutional amendment to move towards a system based on language only. Incidentally, all that is required in Ontario to achieve a one-school system is for the Legislature to ask for the same amendment from Parliament.

We have come here today to discuss what we see as the economic benefits that flow from moving to a single public school system. We hope to be able to convince this committee that future studies are warranted, to look into major savings that will be realized by moving to a single public school system.

Let me begin by giving you some of the results of two analyses conducted by our network. We have looked at the funding of the English public system and, in one case, compared it to the English Catholic school system over an eight-year period.

The first study, based on two approaches which came out with comparable results, showed that the English Catholic school system receives about \$200 million per year more in student grants than it would by the funding formula for non-Catholic students. This situation has occurred for at least 10 years, thereby diverting about \$2 billion away from public education into sectarian education in that time.

The second study considered the funding of children by the number of students in a school board. By virtue of its size, the Toronto school board receives \$450 million

more than if it were to receive per student funding at, say, the level that Hamilton or London or Ottawa does. This board is not alone, and the problem is not just one of public versus Catholic education. You're invited to read the details of these studies in the attachments which have been supplied to the committee.

Such inefficiencies as we have found must be addressed. Merging the public and Catholic systems will provide Ontario with an opportunity to rationalize new board size on the basis of best practices across Ontario.

There are other significant savings to be gained by the establishment of one school system. One of the major cost efficiencies arises when just one bus is run by a student's home. The province has moved to force the sharing of transportation on the school boards. It has been accepted by some, with notable exceptions. The problem is that the increased transportation grant given to the Catholic boards allows them to attract parents who appreciate the better service. Incidentally, the same can be said for capital grants, which have produced some splendid Catholic schools which also attract parents and students.

Another area of savings lies in avoiding the capital costs of new schools associated with subcritical student populations in surrounding schools that must be closed. Simply by going to one school system, the province has more flexibility to move students without new construction.

A case in point is the \$90 million recently announced to build a new French-Catholic high school in Mattawa for 100 students. That is \$90,000 per student. Not only is it poor value for the taxpayers' dollar, but it would not have happened if we had one school system. The committee will find news clippings about the discontent in Mattawa and area in their attachments.

The government had a chance to do something about the inefficiency of building new schools in times of declining enrolment with the Levac legislative committee. However, that committee was specifically ordered not to consider the option of doubling up children from the segregated school systems. This problem of closing schools is particularly acute in rural areas and in northern Ontario. Without a policy to integrate local schools in these areas, the dislocation being forced on parents and students for the sake of religious segregation is becoming intolerable.

In addition to the above savings with efficient school busing and proper utilization of schools and facilities, there are others that will be realized by establishing a single public school system. These include a reduction of duplication of education services; a reduction in advertising costs for competing school boards to draw students and hence provincial funding from each other; economy of scale through better purchasing practices; fewer senior/managerial and administrative personnel; greater program opportunities for students; and better use of teacher and support personnel, particularly in specialized subject areas.

The bottom line is that it is economically irresponsible to publicly fund four distinct school board systems in

Ontario. Significant savings would be realized with no loss of educational services nor displacement of services if there were only English- and French-language public school boards.

Okay, so what? We have a socially divisive school system, and we are wasting big bucks on keeping it inefficient.

The problem doesn't end there. Ontario is in an economic crunch. Its revenues are collapsing, partially by losing its manufacturing base to developing countries and partly by the collapse of our American trading partners. The government has before it a massive deficit, without the prospect of a quick turnaround. Apparently, a number of cuts are contemplated in our health care system. People who are awaiting surgery may expect to wait even longer. People who hitherto laboured diligently in our hospitals and health care establishments will be laid off for no fault of their own. Others in the province will either see reduced service or be part of public sector unemployment. This is deeply ironic when we are clearly wasting over a billion dollars a year in identified inefficiency in our education system and perhaps the major part of another billion dollars a year on inefficient transportation and other inefficient uses of our schools. And all this is for privileged public funding of a sectarian school system.

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While Quebec and Newfoundland and Labrador have moved to a single public school system to join many other modern egalitarian countries, Ontario hangs on to this relic of the past, one that hurts our ability to respond to the kind of budgetary crunch that we have before us and hurts others personally because Ontario chooses to offer special privileges and religious school funding rather than address their problems.

How long can Ontario waste \$2 billion a year on something it has been condemned repeatedly by the UN for supporting? What is the cost going to be in the future as we live in suspended animation about whether a future government might fund all religions? We know how inefficient that will be.

The time has come to speak out against the inefficient funding and for all parties to work constructively to achieve a one-school system. We would hope that this committee would be the first to voice concern over the funding inefficiency of our current dual system.

We would be pleased to take your questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you for your submission. I would now turn to the NDP, Mr. Prue, for questioning.

Mr. Michael Prue: The first question I have is about the Levac committee. Mr. Levac is a member of the—but I don't see him; I'm not allowed to just say that. But I'm sure he might have some comment when he comes. The government ordered his committee not to look at this. Was any explanation given?

Mr. Bryan Kerman: I don't know about explanations. I know that there were documents that went with the terms of reference of the calling of that committee,

and one of them was to not look at anything that had to do with the continued existence of the dual school system.

Mr. Michael Prue: The province of Ontario has been cited twice by the United Nations. I spoke about this when Dr. Hoskins had a motion before the House in private members' hour to stand up for the United Nations bill on human rights. I raised the very real and thorny question—we've been cited twice under section 26 of that bill for providing sectarian education to only one religion. I asked Dr. Hoskins to comment and he sent me a very nice note after about how our support of the United Nations convention would be viewed in light of—we're about to be cited again. Can you tell me what Ontario's response should be when we are again told that what we're doing is illegal, immoral and wrong?

Mr. Malcolm Buchanan: Very briefly, Mr. Prue, yes, you're correct: We have been cited twice by the UN as being in violation of article 26. The response of the government has always been, "It's a constitutional matter and there is nothing we can do about changing it." That is a hoax, because people only refer to one section of the Constitution, which is subsection 93(1). If they look at subsections 93(2), (3) and (4), there's a process by which to change; also section 43.

This is exactly how Manitoba, Newfoundland and Quebec changed. They have to live by their own constitutional responsibilities, as well as the UN. So there is a way to change it.

Mr. Michael Prue: Are we the last province—Ontario—that still funds sectarian education?

Mr. Malcolm Buchanan: Other than Saskatchewan and Alberta, Ontario is the only one.

Mr. Michael Prue: You handed out a number of documents. I was intrigued by the Sudbury Star editorial—for the members of the committee, it was the last one in the package—of March 27, 2009, talking about the enormous cost to the city and the people of the Sudbury area of funding and having to build four separate school systems. Have there been any resolutions of local councils or other people following editorials like this about how to save money?

Mr. Malcolm Buchanan: Unfortunately, I believe nothing much has happened other than the editorials. It's also reinforced in the article from the Renfrew Times that everybody wants to duck the issue, for whatever reason; it's very strange. Yet people are raising the issue all the time about, "Why are we paying for a duplication of services?" The question has to be brought out into the open. I would hope that this committee would start looking at ways in which efficiencies can be made. Bryan has outlined them very carefully.

Right now there seems to be an inertia, as it were, Mr. Prue. Nobody wants to get their head around it, but they have to. Nothing has been done to date on those suggestions in the Sudbury Star.

Mr. Michael Prue: I am starting to get a few phone calls from upset parents in the Toronto area about the

new all-day kindergarten because there are no schools in the public system that are going to offer this.

Are children who are not Catholic children entitled to go to the all-day kindergarten in a Catholic school, which is being offered in Toronto?

Mr. Malcolm Buchanan: The reality is that, under the rules of the game, as it is in Ontario now, to be able to enrol their child in a separate elementary school parents must show that their child has a baptismal certificate, that they are ordained Roman Catholic. At the elementary level, non-Catholic kids are not entitled to be enrolled, unless under extenuating circumstances such as huge, open, surplus space. Otherwise, at the elementary level, only Catholics can apply. And it's publicly funded; that's the point.

Mr. Michael Prue: In terms of this new all-day kindergarten—the NDP supports all-day kindergarten—what that means, then, in effect, is that non-Catholic parents will not be able to participate unless there's a school designated. In my riding, there's none.

Mr. Malcolm Buchanan: That would appear to be correct.

Mr. Michael Prue: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you for appearing before the committee. We will now take a recess. The committee will resume at 1 p.m.

The committee recessed from 1150 to 1300.

NIAGARA HEALTH COALITION

The Vice-Chair (Mrs. Laura Albanese): The Standing Committee on Finance and Economic Affairs will come to order for our afternoon session.

Our first submission will come from the Niagara Health Coalition. Please come forward. You will have up to 10 minutes for your presentation. That will be followed by up to five minutes of questioning. The rotation in this round will go to the government side.

You may identify yourself for the purposes of Hansard recording and begin as soon as you're ready.

Ms. Sue Hotte: Good afternoon. Thank you very much for the opportunity to bring forward a submission to the committee. My name is Sue Hotte and I am the co-chair of the Niagara Health Coalition.

The Niagara Health Coalition is part of the Ontario Health Coalition, just to let you know. We're a network of many organizations and individuals throughout the peninsula and in Ontario.

The focus of the presentation is basically that hospital funding at the present time is unsustainable. Hospitals have been shrinking as a proportion of health expenditures for more than 20 years, and this has led to serious offloading and privatization of hospital programs and services. It has led to major gaps in service, out-of-pocket costs for patients, more risk of poor health outcomes, and even the death of patients.

Presently, the provincial government's approach to hospital funding is actually at odds with the values and priorities of most Ontarians, who put it up there as one of

the major things that the government should be involved with. However, the large budget deficit at the Niagara Health System due to serious provincial underfunding for the past 20 years, the present restructuring plans, including the building of the St. Catharines P3 hospital, and the disconnect between infrastructure planning and service planning are creating confusion and wasting funds. This is the main focus of our presentation.

Hospital spending has been shrinking. If you think about it, in 2008, Ontario hospital expenditures per capita were \$1,205. It's the second lowest in Canada, the lowest being British Columbia. Health expenditures were \$3,361 per capita. Basically, that's also the second lowest.

Restructuring has been occurring, and we've seen that overall hospital spending has decreased from 52% to 37% over 20 years.

One of the things that was based in the 1990s—was that we would be able to relocate patients who were in the hospitals right now for chronic care etc. to long-term care. Over a billion dollars of hospital budget cuts were announced and there were huge numbers of hospital beds cut, but many of the new long-term-care beds were not put in place.

This had a really big impact in Niagara. Between 1989 and 2000, it lost 680 beds, which is over one third of all its beds, and they were eliminated without adequate replacements. There were very few long-term beds that were brought in. It's a decrease by 43% in the number of its acute care beds and a 25% drop in chronic care beds.

In 2007, the average number of beds staffed in the NHS had decreased to 581, the number of chronic and complex beds stood at 172, and the cuts are continuing. We're not too sure where the people are going from these beds. Are they being relocated to Fort Erie and Port Colborne? Are they being brought to retirement homes where there are inadequate service levels?

Because you have fewer hospital beds, you have extremely high occupancy rates, you have longer waits, and you have cancellations of surgeries. A loss of hospital beds also means a loss of staff, so we have seen a decrease in the number of nurses in our area. The Ontario Nurses' Association is very concerned about this, and for the past three or four years the Niagara Health System has been censured because of the understaffing situation and the problems with their workload. This continues. Two years ago they had 4,373 employees, and last year it was 4,281. There was a decrease of at least 50 or 60 nurses.

Hospital budgets are running at less than inflation. This forces cuts, privatization and instability. This is one of the big reasons why you do have these huge cuts and these huge deficits as the hospital systems are trying to have zero deficit. On page 4, I do have some information with regard to that.

It's so bad that, province-wide, up to 80% of hospitals faced deficits in the last two years, and cuts are affecting hospitals of every size in every region of the province. If we look specifically at the Niagara Health System, it's in such a bad financial state that it's bankrupt, frankly. Cuts

keep occurring. We have huge wait times for surgeries. Wait times in the ER for complex care are over 17 hours—way above the provincial average—and you have increased risks. We do have one of the highest mortality rates in Canada in the St. Catharines hospital. They have been operating at a \$12-million to \$17-million deficit pretty well since its inception in 2000. It is the largest system in Ontario, it has eight sites, and it has never been properly funded since the get-go. When it started, it ended up with a \$23-million long-term debt; that has now ballooned up to \$120 million. They never received enough money for restructuring. They've never been properly funded. Because of this situation, they are in a restructuring plan, called a HIP, and it calls for more reduction in staff, more reduction in beds. It doesn't really take into account the situation of what's going on in the Niagara region, and it will only continue.

The Vice-Chair (Mrs. Laura Albanese): You have about two and a half minutes left for the presentation.

Ms. Sue Hotte: Okay. All right. I do have an explanation or description of where the cuts are on pages 6 and 7. I talked a little bit about the ER wait times and we have a little bit about the paramedics report. I will take some questions for two minutes.

Mr. Michael Prue: Oh no, you get five.

The Vice-Chair (Mrs. Laura Albanese): No, it will be five.

Ms. Sue Hotte: Oh, I get five minutes. Oh, I'm sorry. I misunderstood.

The Vice-Chair (Mrs. Laura Albanese): You can continue for another two minutes.

Ms. Sue Hotte: The other big problem is the closing of the ERs in Port Colborne and Fort Erie. They've lost pretty well all of their services. They have an urgent care centre that is set up. There is no guarantee that it will continue longer than being a 24-7 centre. In fact, as they're looking at it, there's a strong suspicion that that will be reduced.

There are huge transportation issues in the area. We don't have a single public transportation system, so if the ambulance comes and picks you up in Port Colborne and brings you to Welland, then you're on the hook to find your transportation back. Port Colborne has some of the more senior population. In Fort Erie, if you go to Niagara Falls, the cost is going to be about \$180 to bring you back. That's quite a big hit.

The other thing that has happened is the increased need of ambulances. These costs are now borne by the Niagara region. For six months to have additional ambulances in Port Colborne and Fort Erie, it was over \$3 million. They anticipate that it will be much more than that: probably around \$6 million for next year.

We've had, unfortunately, a couple of deaths where people have died en route to the ER in Welland. In one case, the gentleman lived only a couple of blocks from the Port Colborne hospital; in the other case, it took 45 minutes to get to the hospital—way too long—and the young woman died.

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

Mr. Kim Craitor: Sue, it's always nice to see you. For my colleagues around the table, Sue has been around for a long time, like me. I was president of the labour council and Sue was on the St. Catharines council. I think we were both about 13 at the time, so we've been involved for a long time.

Sue, just a couple of things, and I think it's important for my colleagues around the table to hear because the word "NHS" has come up a number of times. I will share with you—and you were there too—I can still remember when the previous government decided to restructure because they were in the same position we were in: Health care was out of control, and they were trying to determine what was the best way to reduce costs. They thought that the amalgamation of all of the hospitals going into one giant corporation called the NHS was going to save money, was going to improve health care, and that's the direction they went in. We've continued on in that direction.

A couple of things, then: We had a previous speaker who talked about the debt of the NHS. When they amalgamated all the hospitals, something like about \$40 million in debt was sitting there, and when they created the corporation, the NHS, that debt was never eliminated. So they have a \$40-million debt. In addition to that, with the restructuring of the Hotel Dieu Hospital, when they took it over, they picked up another \$25 million or \$30 million in debt. So they have about \$110 million or \$120 million in debt.

I have been suggesting even to my own government that there needs to be some way to take that debt off the NHS. They can't manage delivering health care and trying to manage a \$110-million or \$120-million debt. What would be your thoughts on that?

Ms. Sue Hotte: I certainly agree. First of all, the government never gave them enough money to work with when they went with the restructuring, and so the original cost—accumulating the debt of other hospitals. The only hospital that was solvent was Fort Erie, I believe.

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The second thing is, in terms of the debt, right now they're paying \$12 million a year that goes to paying down that long-term debt. If their deficit is \$17 million, you can see where part of their problem is: They're paying too much just to service this debt, which, really, the government should be on the hook to pay because they never fully funded it to begin with.

Mr. Kim Craitor: Thanks, Sue. The second question I have: If you're now the government, you're the one who's got to sift through and make the decisions, what would you be suggesting we should be doing down here? Should we continue operating with the NHS trying to run six or seven sites? Should we look at going back to the way it was where each community had their own individual hospital before this corporation was created? What would be your suggestion?

Ms. Sue Hotte: My suggestion is, first of all, that they adequately fund the system. The second suggestion I have is that the hospital boards be elected and accountable to the public. Right now, there's a great deal of dissatisfaction among people living in various communities like Port Colborne and Fort Erie because they don't seem to be heard. They have no way of being heard.

The NHS is very, very large, and in terms of cutting it up again and going back to individual hospital boards, if that is what the people want—and I'd go back and look at what the populations want—then the government has to pour in a great deal of money to allow that to happen. Otherwise, the small hospitals will flounder because they just won't have the financial support to go through another restructuring.

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

Mr. Kim Craiton: All right. Just one small correction: When I started, I remember clearly we were spending about 38% of all of our budget on health care. I think we're up into the high forties, getting close to the fifties, so the government has put a lot of money into health care. I'll just close with saying, and I've said this openly many times: I believe that in eight, nine or 10 years, whoever is the government, you could end up eventually having health care being the only program that we can afford to deliver in Ontario, because the costs are escalating so high. With that, I'll close.

Ms. Sue Hotte: Thank you very much.

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

PARENTS FOR CHILDREN'S MENTAL HEALTH

The Vice-Chair (Mrs. Laura Albanese): Now I call on the Parents for Children's Mental Health to come forward. You will have up to 10 minutes for your presentation. That will be followed by up to five minutes of questioning. If you could please identify yourselves for the purposes of our Hansard recording, you may begin.

Ms. Sylvia Naumovski: My name is Sylvia Naumovski.

Ms. Cyndy Davis: My name is Cyndy Davis.

Ms. Sonia Melnyk: And my name is Sonia Melnyk.

Ms. Sylvia Naumovski: Good afternoon, everyone. Thank you very much for taking the time to see us to discuss what is a very important issue and social problem: child and youth mental health. Sonia Melnyk and Cyndy Davis are from the St. Catharines area, and I'm from Toronto. We are here on behalf of all families across the province and as representatives of Parents for Children's Mental Health, PCMH.

PCMH is a provincial, non-profit, parent-led organization that provides a voice for families, children and youth who face the challenges of dealing with mental health issues. PCMH provides support and education and helps to empower the stakeholders by linking networks

of families, communities, agencies and government. Parents for Children's Mental Health believes firmly in the promotion of family-centred principles of care. We also believe in our vision that children's mental health is everyone's business and that each child, youth and family has the right to achieve mental wellness. With your help and your commitment, we are confident that this will bring us closer to reaching our goal.

One of the key factors impeding significant improvement in the situation with child and youth mental health is the serious lack of funding. In recent years, there have been various evidence-based reports prepared and tabled that have starkly identified the funding challenge. Some of the reports include the Ontario poverty reduction strategy, the roots of violence, the Auditor General's report, and Every Door is the Right Door: Towards a 10-Year Mental Health and Addictions Strategy. In addition, there is the Mental Health Commission of Canada, which has done extensive work and research on developing a comprehensive mental health strategy for Canada. There are also numerous reports by the Canadian Institute for Health Information.

Taken all together, these reports underline the importance of good mental health. They describe the kinds of programs required and they offer a surprisingly consistent prescription for how to better coordinate and fund our collective efforts.

Moreover, all these reports recognize the importance of early intervention and diagnosis of mental health issues in our youth which, along with combatting poverty, will help to prevent children from being lost to the streets, and other effects of undiagnosed and untreated mental health problems that create such an economic burden for our province.

The evidence is overwhelming, not only compiled in reports but on our streets, in the homeless, the drug rehabilitation centres and oftentimes in our own homes.

The decision to act by allocating more money and more consistent funding for child and mental health services is long overdue and requires no more research or consideration.

Sitting before you today are parents representing families in Ontario who are coping with mental illness and the personal and social consequences of the inadequate funding for the existing system. We are proof of what is currently happening in our province.

I will now ask Cyndy and Sonia to tell their stories, to bring to you the vivid depiction of what many families and children are going through.

Cyndy?

Ms. Cyndy Davis: I began what seems like an unending marathon of seeking services for my two soon-to-be-adults almost 15 years ago.

My son, who is now 17, has been unique since birth. He was a precocious and engaging child and learned everything early, but he would go from being this bright, engaging child to one who would rage for hours, turning furniture upside down and jumping out of moving vehicles. He had night terrors and gory nightmares, and

he would cycle between laughing and crying within minutes.

I knew something was wrong and began to seek help for him and us here in Niagara, with little success. By the time he was 10, nothing had changed for my son. In fact, things got worse, so I sought services outside Niagara.

I found a psychiatrist in Toronto. This doctor, with his multidisciplinary team and holistic approach, was able to identify that what we were witnessing was not behaviour but symptoms of mental illness.

I drove my son and his seven-year-old brother to Toronto almost every Saturday for two years so that we could receive appropriate help. The comprehensive assessment and treatment changed our lives. My son's symptoms subsided and he was able to be the intelligent, kind, engaging, charming, witty person I knew him to be.

Those Saturdays spent driving to Toronto for psychiatrists' and therapists' appointments were difficult for my kids and me, as it meant weekends were taken up with seeing doctors and driving, in place of weekend activities. My children resented this and it was hard on me financially and emotionally, but the trade-off was not an option.

This all changed when our doctor became ill and we were required to transfer services to Niagara. Since then, it has been an uphill battle finding, accessing and sustaining services. No longer did my son receive a treatment plan or the care he needed. For this, I am still angry, resentful and deeply hurt, as I feel the lack of funding has created a system which has failed our family.

Shortly after, my sweet, sensitive younger son developed signs similar to my eldest's. One day, my then 11-year-old son tied a noose around his neck and tried to hang himself from a tree. This happened because the medications needed to be changed, but psychiatric care was not available for four more months and general practitioners did not have the knowledge to work with the medications my son was taking.

At the hospital we were stigmatized, treated like criminals and punished instead of cared for with compassion and understanding. My youngest son has been suspended from elementary school and has been involved with the police more than a few times, all before he was 12, because he does not receive proper care.

Because there is little prevention and the interventions are short-lived, our family continues to go from crisis to crisis.

I have been a single mom and have been sliding down a slippery slope, using what economic means I have had, losing employment, in almost a continuous state of worry. What if my kids' moods start to cycle? Where will I get help? How long will it take to get the help I need? What if I have to miss work from a new job today because I need to educate and advocate for my child at school? Will I have to use police intervention again, in place of children's mental health treatment, while waiting for services?

Not only have I dealt with grieving mental illness and worrying about how my children will fare, I contend

daily with the stigma placed on us—the parent blame and shame—as well as the economic instability.

How long?

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The Vice-Chair (Mrs. Laura Albanese): You have about three minutes left. I didn't mean to interrupt you or to be rude in any way.

Ms. Cyndy Davis: Okay. I'll let you go.

Ms. Sonia Melnyk: At the age of six, my son tied two socks together and wrapped them around his throat until he turned blue. He has tried to jump out of moving cars on the 406 and in indescribable rages has attacked me while driving, almost causing us all to die in car accidents.

An incident triggered his mental illness to go from generally manageable and stable to spiralling down a slide to no places a child should ever see or be—completely unstable, both mentally and emotionally, causing extreme physical behaviour, eventually not even being able to attend school regularly.

I contacted our agency here, Contact Niagara, and I waited four weeks for an initial assessment interview and then another four months to see a therapist at Niagara Child and Youth Services. All the while, our families' lives were in complete turmoil. I had an infant daughter who was in a state of stress by the age of 12 months. All the while this continued, and only because the state of our crisis was so extreme were we actually able to see a psychiatrist four months after our initial assessment. Then we were later let go due to the closing of her practice.

What all this equals is time—wasted time when our family could have seen professionals and started treatment. Early intervention and treatment have proven to be 70% effective in treating children and youth with mental illness. Without adequate and sustained funding, the system is forced to treat on a worst-come, first-served basis, where it only intervenes in the most severe crisis situations.

The Niagara region is in a pitiful state for children's mental health, where there are almost no professionals: two child psychiatrists for the approximately 20,000 children who will deal with mental health issues. That's the one-in-five number the Canadian mental health agency talks about. Families have almost no hope of receiving help for their child if their child is not showing extreme crisis behaviour. Parents' and families' lives are turned upside down with little help. This means missed time at work for parents or having to survive on one income, if that is possible, due to your child's illness. I've had to start my own business because I was unable to hold down a job.

What I find terribly disgusting is that when my son broke his arm, we were admitted, X-rayed and cast in less than four hours, yet we've been in this system for three years now and him and thousands like him suffer and are being tortured by things out of their control because nobody has put a face to mental illness or the dollars needed to fund the programs.

My son and thousands like him deserve help. If he had cancer today and was sitting before you, would you tell him that he couldn't have pain medication because there was no doctor available to give it to him?

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

Mr. Toby Barrett: Thank you, Chair. Thank you for presenting to the committee and for speaking up for children's mental health. You talked about a serious lack of funding and the long waiting lists and being unable to get urgent care and necessary care in a hurry. As we just heard, the Ministry of Health spends a very large amount of money. Adult mental health services are funded by the Ministry of Health; children's mental health services are not funded by the Ministry of Health. Has your organization or has the field taken a look at this?

Ms. Sylvia Naumovski: Yes—

Mr. Toby Barrett: Any comments on that, then?

Ms. Sylvia Naumovski: Yes, but you're still responsible for making sure that there are adequate services for children's mental health, so children and youth services need to address it.

Mr. Toby Barrett: Yes. It's another ministry.

Ms. Sylvia Naumovski: Yes, we've actually talked to Laurel Broten and we've talked to the previous minister about it. We're trying to tell them that this is a very important issue because it's preventive. You can reduce all sorts of problems if you just address it.

As a matter of fact, statistics show that early diagnosis, intervention and treatment have proven to be 70% effective in treating children and youth with mental illness. One of our biggest things is that the suicide rate continues to rise. Already, suicide is the leading cause of non-accidental death among youth ages 10 to 17 years, with 90% of the deaths occurring in youth with diagnosable and treatable mental illness. So it needs to be addressed early and it needs to be addressed now. As I said, there are numerous documentations, international work done, examples that early intervention is the way to go in mental illness.

Mr. Toby Barrett: This government also has a Ministry of Health Promotion and prevention. Do you think there's a role for them?

Ms. Sylvia Naumovski: Definitely a role for them. Schools want it. It crosses over to many, many different departments.

Mr. Toby Barrett: Certainly.

Mr. Peter Shurman: Thank you very much for a very important presentation. Ladies, thank you, both of you, for sharing with us what must—I can only imagine what you've been through with this.

I'm going to ask for an opinion, a little bit of a departure from the kind of questioning that we do. I recognize the need for the funding that you're talking about and you probably recognize that the government—any government—when it puts together a budget, puts it together on the basis of what it prioritizes as the most important things that it can spend its money on. There are

a lot of groups that appear here and say, "We need more. We need more." The initiative that the McGuinty government has announced to fund earlier childhood education, junior kindergarten, is a pretty expensive one. Would you prioritize that as more important than dealing with the problems you've illustrated?

Ms. Sonia Melnyk: Absolutely not. My daughter is three and a half right now and will be attending the new program that you're talking about in September. It is pretty much glorified daycare. You can receive, in a proper government daycare, the same amount of education that you would in this new program they're enrolling, yet there are thousands of other children who are left in the dark because there are no programs that they can attend to deal with their mental illness and help them with therapy.

Mr. Peter Shurman: Thank you. I was going to ask what it takes to escape from the phrase you used, "worst come, first served," in some of your documentation, but I don't have to ask the question because I think both of you illustrated it, especially with the issue that you highlighted, going to Toronto every Saturday and then effectively being left out in the cold.

You have, all three of you, read about the major financial issues facing Ontario today at a governmental level. What happens if there is absolutely no increase in funding for this year?

Ms. Sylvia Naumovski: For children's mental health? It will just deteriorate more and you're not addressing it. It has got to be addressed because it has been 10 years that it has been frozen. It can't go on like it is. We're losing our workers because they're underpaid, understaffed. We don't have enough psychiatrists working. We don't have anybody to help us out.

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

Ms. Cyndy Davis: Absolutely. We just can't go on like this. Not only that, it's what happens—the trickle-down effect from that. These children are growing up to be adults. It's going to put an additional burden on the adult system as time goes on.

Mr. Peter Shurman: Thank you very much.

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

BINATIONAL TOURISM ALLIANCE

The Vice-Chair (Mrs. Laura Albanese): Now I call upon the Binational Tourism Alliance to come forward. Good afternoon. You have up to 10 minutes for your presentation. I'm sure you heard this from the previous presenters. There will be up to five minutes for questions. This rotation will go to the NDP and Mr. Prue.

Ms. Arlene White: Thank you.

The Vice-Chair (Mrs. Laura Albanese): You may begin. Please state your name for the purposes of the Hansard recording.

Ms. Arlene White: I want to thank the panel members for providing me with this opportunity to present during

these community pre-budget consultations. My name is Arlene White. I'm the executive director of the Binational Tourism Alliance, a membership-based tourism, economic and industry trade organization based in Niagara Falls, Ontario, and Buffalo, New York. We have over 140 members representing over 7,500 tourism and business operations from Manitoba to Plattsburgh, with the majority of these located in the cross-border Niagara region.

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Our mandate is to facilitate collaborative tourism development in cross-border regions in order to raise the profile and importance of both the tourism industry and cross-border regions to the North American economy.

I'm here today on behalf of the Binational Tourism Alliance members, and the other cross-border communities across the province that depend upon tourism for their economic survival and growth, to ask that you include funding for border remedial action and issues unique to border communities in your 2010 budget.

Since September 11, 2001, the tourism industry has seen dramatic decreases in visitation into this province as a result of an ongoing series of North American and global events: terrorism and the resulting increase in security measures at our border points; viruses like SARS, West Nile and H1N1; the recession and ongoing job losses reducing disposable income and budgets for leisure and business travel; fluctuating gas prices impacting all modes of travel; and climate change affecting traditional weather patterns and our seasonal offerings.

In Niagara region alone, we have lost 7,000 jobs in the tourism industry since 2001 and have seen our visitor traffic shrink from a peak of almost 14 million in 2000 to half that number in 2009. Ontario has more border entry points than any other province in Canada—Fort Frances, Sault Ste. Marie, Sarnia, Windsor, Niagara and the Thousand Islands should all be familiar to all of you—and historically has hosted between 35% and 40% of the visitors to this country, with a great majority of these visitors coming from the Great Lakes states of New York, Michigan, Ohio, Pennsylvania and Minnesota.

Windsor and Niagara are the busiest bridge crossing communities along the northern border—Windsor for its commercial traffic and Niagara for its leisure and commercial traffic. The traffic that flows back and forth across these border points drives the economy of North America. The US is Canada's number one trading partner, and Ontario has a pivotal role to play in ensuring that safe, secure and efficient trade and travel continues throughout the Great Lakes region and to other parts of the US and Canada. The province's long-term growth, global competitiveness and economic and social stability depend upon these historic gateways.

In June 2009, we felt the full impact of the implementation of the western hemisphere travel initiative that enforced specific documentation at air, land and marine crossings into the US: passports, Nexus cards and enhanced drivers' licences for anyone over the age of 16. Our bridge volumes across the northern border reported

dramatic decreases year over year for each month from June to December 2009, and this was attributed directly to the new legislation, with recognition that the recession, reduced marketing budgets and resulting promotion of staycations across many jurisdictions also had an impact on the reduced crossings last year.

Let me clarify that the problem is equally significant to our US colleagues in cross-border regions. This isn't just a Canadian problem. The Office of Travel and Tourism Industries in Washington reported 10 consecutive months of decreases in international visitation to the US after 60 straight months of unprecedented growth. Both US and Canadian tourism operators in cross-border regions reported business decreases of 20% to 40% in 2009, bus tour companies reported cancellations of tours into either country due to border crossing ID issues, and airlines continued to reduce flights into various airports to save on fuel costs. This has been the first recession on record to see cross-border residents reduce their day trips into either country, and we've seen an increase in vacation and leisure home sales in our beach and ski communities as owners find that family and friends can no longer easily cross the border.

We recognize that these circumstances were dictated by the US federal government, that the existing legislation is not going to change any time soon, and that business and leisure travellers will eventually get the correct identification should they wish to travel back and forth easily. However, it will take years to recoup the number of visitors we used to receive, who provided much-needed external dollars to the tax base in our communities as well as to the provincial and federal coffers, if we do not take specific action.

Considering the provincial investment made in tourism capital projects over the past 10 years alone in a community like Niagara—the casinos, Shaw Festival, Ontario Welcome Centre, Niagara College culinary and visitor centres, Niagara Convention and Civic Centre, and Fort Erie Race Track are just examples—and the matching investments by the private sector in hotels, golf courses, attractions, transportation and other services, we must act now to ensure that these investments are not lost and that the jobs and tax revenues these initially created are stabilized and allowed to grow under a new long-term strategy. We believe the best way to do this is by rolling out a border remedial action plan that will attract US and international visitors back to Ontario and make travel back and forth to the US easy for our own residents. While the Canadian and US federal governments did market these changes to the broader public over a year and a half prior to June 2009, this came nowhere close to informing all the residents of the US and Canada of the changes they would encounter at the northern border.

CBSA and US Customs and Border Protection have been reporting high compliance rates at the border crossings, but this is misleading, since it covers only those who have the right identification. Initial research has indicated that consumers are still confused by the identification requirements and where they need to go to

get these, and that cost is a factor because of the current economic climate.

Therefore, over the past six months we have met with industry stakeholders throughout our region and from other parts of the province and states, as well as representatives of CBSA, CBP, and the Ministries of Tourism and Transportation and their counterparts in the US, to develop a border remedial action program to deal with the current situation. This involves several components and partners and can easily be rolled out across the province to other cross-border regions.

The program includes the correct research to determine all mobility issues at all border crossings for those people who are no longer crossing the northern border, including all modes of travel—land, marine and air—and what it would take to bring them back; local binational community marketing, education and outreach clinics to assist our residents on both sides of the border in applying for and obtaining the correct form of ID to suit their travel needs for day and overnight trips and encouraging them to continue crossing the border; and development of marketing and incentive programs in partnership with third party travel trade operators to reach former and new visitor markets in order to attract them back to our province for overnight trips.

The program involves our US tourism colleagues as well as the Canadian and US federal governments and accommodation of private, public and not-for-profit partners, including non-tourism sectors like Canadian and US chambers of commerce, economic development offices, shopping malls, municipalities, schools, seniors' homes, bridge commissions, transportation, and duty-free operators who have a vested interest in working together to drive new business to our northern cross-border regions.

We have asked the Canadian federal government for assistance in the amount of \$300,000 for 2010 to help us roll out the program in Niagara and would like the province to commit to a similar amount in 2010 so we can roll this out in all other cross-border regions of Ontario.

Based upon preliminary research and discussion with industry partners about possible travel incentives, Ontario is in a unique position to utilize the Ontario sales tax rebate system currently in place to attract additional visitation and revenues through use of that program. We've already completed analysis and calculations as to the amount of spend a visitor would require to qualify for a rebate that could technically cover the cost of their new identification while increasing overall provincial tax revenues.

As we move into the recovery mode in 2010, it's imperative that we utilize new creative partnerships and incentives to reposition Ontario as globally competitive and a leader in the North American markets. We have overlooked the importance of our cross-border regions for far too long. They are critical to trade, transportation, tourism and the long-term economic growth of our province. We need to take the necessary measures to maximize the potential of these key trade zones through

new strategic development and innovative collaboration with our Great Lakes partners. Opportunities exist for new product development and job creation in the logistics, multi-modal transportation, medical, agricultural, technology and sports sectors, and all of these have links to tourism, business travel and attracting new markets.

The results of our first border remedial action survey and information about these new growth sectors will be shared at our upcoming BTA summit on March 25 and 26 in Niagara Falls, New York.

The Binational Tourism Alliance, our member organizations and North American tourism and economic development partners in other cross-border regions of Ontario look to the province to recognize and help redefine these unique regions and the critical roles they play and to assist in funding support for this initiative and others that will strengthen the long-term viability and growth of Ontario. We are pleased to work closely with you, offering our resources and assistance in the development of new cross-border policies and programs that will reposition the Great Lakes region as the North American economic driver it should be in the 21st century. I've provided you with an attachment of the project outline that we've already started to work on.

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

Mr. Michael Prue: Thank you very much for the presentation. Several of my colleagues and myself belong to the Council of State Governments. We go and we talk about this at least once a year somewhere, and the next one is going to be held in Toronto. The Americans are going to come, I guess, and see this area. But you pointed out the right thing: The problem is resulting because of the federal, national government of the United States. The state governments want to do exactly what you're saying.

Ms. Arlene White: Right.

Mr. Michael Prue: They want to do exactly that. The problem is that the Americans believe that security trumps trade. When I talk to them, they all say that, they all believe that, and the whole thing is just tightening the screws so that nothing can happen.

How do we change that mindset? Because when we change that mindset, the rest will fall into place.

Ms. Arlene White: We aren't trying to change that mindset anymore, with all due respect. We know that Obama is not going to come anywhere close to dealing with that in his first term, and if he has a second term we'll be lucky to hit that. We know that the Democrats are not going to take the chance of being seen to be soft on security, and we deal with the legislators on both sides of the border, so we're very familiar with this. Louise Slaughter is a good friend and she's high enough up in the government that she has told us pointedly this is not going to be a major issue. They are going to have to deal with their other issues—education, health care, the same things that we're dealing with.

But having said that, we can't wait for the feds to change their minds. What we need to do is get the right ID into the hands of every single North American to make sure that we can bring trade back to our cross-border regions and bring those relationships back. We've created a Berlin Wall, and now it's our problem to deal with. New York state and Ontario have the biggest stake in this because we're each other's biggest trading partners, but also the biggest trading partners that lead into each other's country's economies. So this is a North American problem that has been caused that we have to fix now at a local level.

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Mr. Michael Prue: You need the right kind of documentation. The province tried to look at an enhanced driver's licence, but that has fallen apart; it's not going to work. The Nexus card might work. Is there anything else that will work? Having everybody have a passport won't work, obviously.

Ms. Arlene White: What we feel is that we need to sit down and actually talk to people, and that's why we're going to do community outreach into shopping malls, schools and the rest. An example is: Nexus is free to people under the age of 18. Why is every school not putting that into their school orientation packages, from elementary through secondary through post-secondary? There is a means of identification; safe, child-secure identification, and a means to get that message up to their parents. Again, because it's free it's economical for a family of four. Passports are not economical. As you said, the Ontario enhanced driver's licence program has been disappointing at best, but again, we are going to be taking that one out as well to help promote it because New York state has done a very good job of that one.

Mr. Michael Prue: On the last page you have "Funding," and you have, "NITTEC \$250,000 loan, \$10,000 CAP funding, community partners," and then you have \$300,000 for SODP, \$300,000 province of Ontario funding request and \$100,000 national grid request. How much money is this going to take? This is the finance committee. We always come down to that. How much is this going to cost to do it right?

Ms. Arlene White: To do it right? What we need is approximately \$1.2 million over a two- to three-year period to actually do the legwork, to get out there on both sides of the border, to get the locals covered—because again, when you look at the population just in this cross-border region between Toronto and Rochester, that's what we're focusing on first; to keep that moving. By having the additional funding through the end of this year and the next year, we can help every single other cross-border region pull in comparable community partners on both sides of the border, like the shopping malls, the duty-frees and the bridges, to ante up their portion because they all have a vested interest in getting the right ID into each others' hands to keep our border traffic moving back and forth.

What we're looking at, as I say, overall, is a \$1.2-million project. We're asking the province for \$300,000

of that, the feds for \$300,000, and going to the US government for the same as well as our private sector partners.

Mr. Michael Prue: So this is \$300,000 from the province over two or three years.

Ms. Arlene White: That's right.

Mr. Michael Prue: So this is not a lot of money.

Ms. Arlene White: No. And it's a wise investment.

Mr. Michael Prue: Do you believe American tourists will actually come back? The reason I ask that is, I had an opportunity to be in Mexico for a week over the Christmas vacation. They were complaining that the number of American tourists going there has declined remarkably too. They seem to be insular and staying at home.

Ms. Arlene White: The problem is that we've all been promoting staycations, and there have not been big marketing budgets in tourism for any one of the jurisdictions on either side of the border. We're hoping that this year we'll show some recovery, but we stand a better chance than, I believe, the southern border does because of the tight relationships we've had in our own cross-border regions with Americans. They would love to come. They need the right ID to get here, and we need to help them with that.

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

NIAGARA CHILD AND YOUTH SERVICES

The Vice-Chair (Mrs. Laura Albanese): I now call on Niagara Child and Youth Services. Good afternoon. You have up to 10 minutes for your presentation. That will be followed by five minutes of questioning. Please identify yourself for the purposes of our Hansard recording, and you may begin.

Mr. Ellis Katsof: My name is Ellis Katsof. I am the executive director of Niagara Child and Youth Services. Thank you for the opportunity to talk to you today.

Our agency is the main provider of children's mental health services in Niagara region. We are a member of Children's Mental Health Ontario. CMHO has submitted a brief to your committee, so I will not repeat everything that you have already heard or read in their brief. What I would like to do is bring their brief to life at the local level and explain how the issues identified by the CMHO affect local agencies, children, youth and families.

What better way to bring this to life than telling you a little bit about our community's primary children's mental health agency, Niagara Child and Youth Services? We are a medium-sized mental health agency with a budget of about \$8.3 million. We provided services last year to over 4,200 people. We provide a range of mental health services to children, youth and their families. Although our clients have challenges in their early years, most of them have the capacity of becoming outstanding citizens if they receive appropriate treatment early on—and you heard about that from the parents' association

earlier. We know that treatment works—research proves it—if it is available at the appropriate time, early in life.

NCYS, like all children's mental health agencies across Ontario, has experienced increased costs year after year. According to a statement in 2008 by our Provincial Auditor, over the past 18 years, since 1992, children's mental health agencies in Ontario have only received increases to their base funding—inflationary increases—twice: in 2003 and 2006. Therefore our agencies have had ongoing budget shortages or structural deficits due to a lack of annual inflationary increases to our base budgets.

NCYS, like other children's mental health agencies, has been proactive. We have been transforming our services this year to make them more accessible to children, youth and families. This coming spring we are planning on implementing a brief, solution-focused therapy model; decentralizing our services through creative partnerships with the school boards; streamlining our intake processes so individuals don't have to wait four months; implementing walk-in clinics across the region; and exploring the implementation of a family preservation program that will result in a significant increase in the number of high-risk clients that we can serve—for example, from 12 to over 120, with the same dollars that we currently have. All these changes will transform the way we serve children, youth and families in our community.

Unfortunately, these innovative changes will be at risk if we do not receive a basic inflationary increase to our budget. A 3% inflationary increase is not to expand our services but just to maintain what we have today. It will only be used to eliminate the structural deficit that is causing children's mental health agencies to cut services every year.

If NCYS does not receive this increase, it will probably have to eliminate four staff positions so that it does not incur a deficit. Four positions may not sound like a lot to you, but it will result in over 600 children, youth and families not receiving service next year.

Furthermore, without annual inflationary increases to our base, we will have to continue decreasing staff to respond to the structural deficit each year ongoing.

While the provincial government has not provided children's mental health agencies with annual inflationary increases to their base budgets to deal with staffing costs, which are 75% of our costs, and other inflationary costs for 16 of the last 18 years, it has provided these increases to civil servants, correctional employees, nurses, teachers, provincial police, hospitals and doctors. All that children's mental health agencies are asking for is equity, equity for our clients to be treated with the same respect as the clients of all those other professional groups, groups that have, at a minimum, been able to maintain their services because of inflationary increases that are built into the annual contracts that are negotiated with each of those employee groups.

Why children and youth with mental health problems have been treated this way is difficult to understand, especially when you examine the numerous facts related to children with mental health challenges.

Let's look at some of the facts that our Ministry of Children and Youth Services published last year. Untreated mental health issues may be associated with increased risk for criminal behaviour, substance abuse and chronic or persistent mental health issues in adult life. Many adults with mental health difficulties report having the onset of problems in early childhood and adolescence. Fifteen per cent to 21% of children and youth in Ontario have at least one mental health issue. Five per cent of children and youth experience depression before age 18. In Ontario, the prevalence of mental health disorders among children who are permanent wards of children's aid societies was 31.7%. Over 60% of youth in conflict with the law have diagnosable mental health and substance abuse problems. Seventy-five per cent of children and youth with mental health disorders do not receive specialized treatment. Finally, suicide is the second leading cause of death after accidents among 15- to 19-year-olds.

These statistics speak to the enormous emotional as well as financial burden on individuals, their families and society as a whole. The costs of childhood disorders can be both large and largely hidden. Early onset of mental health disorders disrupts education and early careers. The consequences in adulthood can be enormous if treatment is not provided. Yet our sector has been chronically underfunded compared to numerous other sectors for 16 of the last 18 years, creating a structural deficit in all children's mental health agencies in Ontario.

The Mental Health Commission of Canada described the state of child and youth mental health services as “the most neglected piece of our health care system, with 75% of children and youth with mental health disorders never obtaining the specialized treatment they need.” In Niagara, the 75% translates into about 14,000 children and youth not receiving the care they need.

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Ironically, when children's mental health agencies are currently struggling with a structural deficit, we have policy-makers identifying the importance of mental health services. That's correct. The policy focus is finally on mental health. In Ontario, MCYS has a 10-year policy framework for children and youth mental health called A Shared Responsibility. In Ontario, there's an all-party Select Committee on Mental Health and Addictions, along with a Ministry of Health and Long-Term Care advisory group. As well, the education ministry and MCYS are working closely to improve student access to mental health services.

At our national level, the Mental Health Commission of Canada has been created to focus national attention on mental health issues. The commission has recently released a report called *Toward Recovery and Well-Being: A Framework for a Mental Health Strategy for Canada*.

The time has finally come to take mental health out of the closet and treat it with the same respect as broken arms, cancer and other physical health issues. If your child was diagnosed with childhood diabetes today,

would you sit idly by when you're told she would have to wait at least six months for service or, worse, that she wouldn't be receiving service? Of course you wouldn't and I wouldn't either. Then why should children with mental health illnesses have to wait? Now is not the time to make cuts to our sector, nor not provide annual inflationary increases to children's mental health base budgets. We could be asking for more dollars for more services but we're not. We're just asking to maintain the core while we restructure and expand the scope of our services within the dollars we have.

I recognize the challenge that your committee has to prepare a budget to deal with the current deficit. MCYS is making significant changes to our service delivery model to extend the services to more of those 14,000 children and youth who are currently not receiving service, but who will tell the 600-plus families in Niagara and the thousands more across Ontario that their children will not receive service next year that they desperately need, which may end up having a lifelong impact on their well-being and a major impact on taxpayers in the future?

The children's mental health sector is only asking for the same treatment that doctors, nurses, provincial police, teachers etc. have been receiving for many years. The children we work with can either receive the help they require and go on to become our future trades workers, civil servants, artists, athletes and professionals or they can become individuals who have chronic mental health problems and can go on to lead troubled lives in and out of health institutions, the courts, mental health programs, correctional facilities, living on Ontario Works and other government benefit programs—services that will cost all of us, the taxpayer, significantly more over their lifespan than our services will cost while they are young.

The choice is ours as a society and yours as leaders entrusted with the responsibility of guiding the expenditures of our provincial government. We recognize that you have to make fiscally difficult decisions. We're asking that you take into account the funding history of our sector over the past 18 years and the lives impacted by our services when you make your budget recommendations to cabinet. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you. This time the questioning will go to the government side, Mr. Flynn.

Mr. Kevin Daniel Flynn: Thank you, Ellis. It's good to see you again and it's good to be working with you again.

Mr. Ellis Katsof: Thank you.

Mr. Kevin Daniel Flynn: Thank you for two things. One, for the appreciation of the situation that we're in as a government, obviously—it's not like any other government around the world. Times are tight, but thank you for being so frank and forthright about the issues that are being faced today with children's mental health because the two aren't, as you've described, mutually exclusive. In fact, there's a very strong relationship between the two.

As you know, I chair the Select Committee on Mental Health and Addictions. We've been travelling the

province. We've heard from a number of organizations quite similar to the presentations we heard today. The stories are compelling. There seems to be a public appetite as well to deal with these issues finally. The stigma is starting to fall away a little bit. People are coming out, and the brave people who came today and described their own family situations are evidence of that. Has anybody quantified the cost of not doing anything?

Mr. Ellis Katsof: Yes. There are studies in the States. There are none in Canada, so I was uncomfortable using some of those, but the costs of not doing anything on all those services that adults use, and we read about them in the papers all the time, are probably five to 10 times, if not more, than the costs of providing our services and helping young people become well before their challenges are so complex that it's difficult to help them.

Mr. Kevin Daniel Flynn: As chair of the select committee, I have to tell you, it's the most non-partisan issue that I've been in, and the members of the opposition and of the third party have conducted themselves admirably in this. It's really been a progressive and a co-operative process to date.

One of the things we heard, as we were travelling in Kingston, from the former Chief of Psychiatry at Kingston General Hospital was that people talk about a shortage of psychiatrists and child psychiatrists in the community. What he claimed was that in Kingston there was no shortage of psychiatrists; what there was was a shortage of psychiatrists who would see patients or psychiatrists who would see children, that most of them were doing research at Queen's rather than seeing patients. Do you see any evidence of that in the Niagara region?

Mr. Ellis Katsof: Yes, and I've worked across the province. I'd say there's a systemic issue, that psychiatrists can earn a whole lot more and work in a much easier environment working with adults than they can with kids. It's a very, very hard challenge, and it's also not as lucrative financially.

Mr. Kevin Daniel Flynn: My colleague Mr. Craitor has some questions, I think.

Mr. Kim Craitor: How much time do we have, Chair?

The Vice-Chair (Mrs. Laura Albanese): We have two minutes.

Mr. Kim Craitor: Ellis, it's good to see you. You were in the office the other day. You have great enthusiasm and great caring, and it shows here at this committee hearing.

Just a couple of things: I think I told you when we were sitting in the office and I'd met you for the first time that I remember when I first became a provincial member of parliament and came off city council. If you'd asked me about roads and sewers and parks, I knew it inside out. In less than six months, it was just astounding to me about the social part of the community, something I had not been so actually involved in. Whether it was autism, ADHD, mental health issues, it boggled my

mind, the difficulties people were having through their lives. I often wondered how many of these people, even when they sat with me and I was trying to help them, were able to even cope with it.

Your message is loud and clear, and I took it back to Queen's Park when we sat and discussed the fact that you needed to know where you stood financially. You're asking not for millions and millions of dollars; you're asking just to maintain the core services. You were prepared, as an organization here, to restructure yourselves as well to keep those services going. Do you want to just go over that again for the committee, and particularly for my colleagues, what you shared with me?

Mr. Ellis Katsof: Regarding the restructuring?

Mr. Kim Craiton: Yes.

Mr. Ellis Katsof: Yes. I'm not only speaking for my agency; I'm speaking for associations, for many of our agencies. There's restructuring going on across the province. We recognize there are different ways of delivering our service. We recognize that we can do it using what's called best practices—proven methods. We're not taking chances. We're using best practices and delivering a far more efficient service.

We estimate that in Niagara we can increase our service by probably 25% to 30% with our current dollars, and it's our responsibility to do that. The challenge is if we lose staffing due to a lack of inflationary increases to cover our costs—because our costs go up, salaries go up, we have pay equity of 1% every year that goes up and just the cost of food in our residential programs and all the other expenses—then we're not gaining all the gains we have in restructuring. We're back to where we were.

So we admit we have responsibility. We're taking that, our agency and many others. There are four in London, Ontario, that are merging. There's one in Windsor that has created a whole walk-in program and another in the north that's going right into schools. There are lots of creative changes going on. We can't do that if we don't have this inflationary increase. Thank you for the question.

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

NIAGARA HOME BUILDERS' ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): We'll now call the Niagara Home Builders' Association to come forward. Good afternoon. You will have up to 10 minutes for your presentation; that will be followed by five minutes of questioning. This coming round will go to the official opposition. Please state your name for the purposes of Hansard recording, and after that you may begin.

Mr. Chuck McShane: Madam Chairman, members of the committee, good afternoon. My name is Chuck McShane, and I'm the president of Niagara Home Builders' Association. I've been involved with the association for the past 15 years, and I'm currently employed

by the Colaneri family, a family that is involved with many aspects of our industry, employing over 200 residents in the Niagara region.

Joining me is Stephen Kaiser. Stephen is co-chair of our government liaison committee and past president of our association, as well as past president of the Ontario Home Builders' Association and the Urban Development Institute.

We're volunteer members in the association, and in addition to our business and personal responsibilities, we are dedicated to serving our industry. The Niagara Home Builders' Association is the voice of the residential construction industry across the Niagara region. Our association includes 100 member companies involved in all aspects of the industry and we collectively support thousands of high-quality jobs. We are proudly affiliated with the Ontario and Canadian home builders' associations.

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This past year has been a difficult one for our industry, with a 25% decline in housing starts across Niagara, and we are very concerned about the uncertainty caused by a host of provincial government initiatives.

Let me first speak about the harmonized sales tax. We recognize that the shift to a value-added tax will yield some benefits to the broader economy but harmonization will bring about significant taxation implications that will impact consumers of new homes and residential renovations.

First I'll address new housing. We were very appreciative that the government was willing to listen to our concerns and work with us to improve the tax structure as it applies to new housing. I want to be clear that while we support positive measures taken, the tax still represents a net taxation increase for homes valued over \$400,000. The complex transition period into the new regime will have impacts on housing affordability and will weigh on the future performance of our industry in terms of job creation.

Once the new tax is imposed, every home over \$400,000 will face an additional \$6,000 in new taxes for every \$100,000 the price is over the \$400,000 threshold—this, at the same time that we are facing thousands of dollars in new development charges on those same future homes in areas of our region. Therefore, we strongly recommend that the government should increase the \$400,000 threshold. A substantial portion of our market here in Niagara is above the \$400,000 threshold. This segment of the local economy and the jobs associated with the construction of those future homes are in jeopardy.

With respect to residential renovations, we have serious concerns that the 13% sales tax burden will dramatically increase the underground economy. The underground or cash economy is estimated by the Altus Group to represent 37% of total output of residential renovation contracts in Ontario. That's \$5.2 billion in unreported economic activity happening under the table. The introduction of a single sales tax will increase the sales tax burden from 5% to 13%, which is like throwing

gasoline on to a fire with all the problems the GST caused in terms of driving business underground.

The Altus Group recently estimated that an increase in the sales tax from 5% to 13% will result in significant revenue losses for the government—losses of up to \$298 million in GST revenue annually, a loss of up to \$1.6 billion in income tax revenue annually and a loss of up to \$767 million from other revenues such as CPP, WSIB, employer health tax and employment insurance premiums.

To mitigate the impact of the 13% sales tax on the underground economy, we strongly recommend that both the provincial and federal governments introduce permanent home renovation tax rebates for their portions of the sales tax. The rebates should go directly to consumers to encourage the collection of receipts from legitimate businesses. The Ontario government portion of the permanent home renovation tax rebate for contractor renovations should rebate 5.4% of the contract value on all qualifying professional contractor renovations. The 5.4% is calculated as the difference between the 8% provincial sales tax and the 2.6% estimated to be currently embedded in the contractor renovations through the payment of PST on materials and supplies.

I would now like to turn the presentation over to Stephen to speak about some other issues impacting our industry.

Mr. Stephen Kaiser: Good afternoon. Last week, President Obama, reflecting on the electoral uprising in Massachusetts, called the voters angry and frustrated. I believe our industry holds the same feelings in terms of the recent direction of the provincial government regarding initiatives related to our industry. In these tough economic times, we have not asked for bailouts similar to the auto sector. We are simply asking for policies that strengthen our industry and do not create a business climate of uncertainty.

You have heard our concern in regard to the new HST. My company builds custom homes costing well over the \$400,000 threshold. This year, we do not have one confirmed contract for the upcoming year. That means a loss of jobs here in Niagara and a loss of tax revenue to all three levels of government.

I'd like to talk about a number of other policies that cause us concern here in Niagara.

The first is the province's greenbelt initiative. Let me be clear that our association realizes how unique and valuable certain lands are in the region, and we are not advocating any form of large-scale development of these lands. We are asking, though, for a thorough understanding of these policies and the implications they create.

I'm a member of the Ontario Home Builders' land development committee. Not long ago we met with a senior bureaucrat from the Ministry of Municipal Affairs and Housing. He admitted that the greenbelt initiative may be the largest catalyst to urban sprawl we have seen in this province. In many cases one of the primary criteria for smart growth is being abandoned, and that is the utilization and maximization of existing infrastructure.

Let me give you a local example. To the credit of the provincial government we are currently building a regional hospital in the west end of St. Catharines. The hospital is directly across the street from the city's transit headquarters. It's a short distance away from the train station, which one can today use to travel back and forth from Toronto. It is close to and has easy access to the QEW highway and will soon have two nearby accesses to Highway 406. It is surrounded by all those things you'd find in an urban community, such as a four-pad arena, big box shopping and retail stores.

There's only one problem: The greenbelt effectively ensures no new homes will be built in close proximity to all those components of smart growth.

The greenbelt has effectively shut down future growth in the northern sector of our region, with huge implications to the municipalities of Grimsby, Lincoln and St. Catharines. A senior economic development officer with the region, in a recent meeting I had with him, said he believed the region may suffer a huge negative economic loss due to the implementation of the greenbelt.

Contrary to the principles of smart growth, in Niagara we are being forced to grow away from our existing infrastructure, and from an industry perspective this direction is also away from where our market wants to live.

It gets worse.

The province's new Places to Grow policy, although a good first effort to provide a framework for growth to the year 2031, has a compounding negative effect for Niagara. The densities dictated in the document may be unachievable in some cases, due to the marketplace here, and the policies, when applied, push growth in a direction away from our existing infrastructure.

More importantly, from our industry perspective, they push growth away from where people want to live. Let me explain.

We have 12 lower-tier municipalities here in Niagara, all very unique in terms of our housing market and the current capacity within their existing urban boundaries. We find ourselves at the time of review with a 39-year overall land supply in the region, based on the anticipated growth to the year 2031 and the total amount of land inside urban boundaries across 12 municipalities.

The current policy ignores the fact that the land may not be in the area where we have a market and disregards the implications of the greenbelt and the fact that our marketplace in Niagara is greatly impacted by our close proximity to the Hamilton area.

The Vice-Chair (Mrs. Laura Albanese): Less than a minute left.

Mr. Stephen Kaiser: As a result of this new policy and the amount of land a municipality has inside its current boundary, a city like Port Colborne is now forecast to increase dramatically from a handful of housing starts on an annual basis, while a town like West Lincoln, which has historically experienced a much higher housing demand, will not be able to meet future

housing demands due to the amount of land it has within its current urban boundary.

This new growth strategy needs to be reviewed immediately to address the clear evidence that when the policy is applied to Niagara, it does not work. The evidence is in the fact that our regional government, the town of West Lincoln and the province are currently arguing over the framework of this policy at the Ontario Municipal Board.

Changes need to be made to Places to Grow that reflect unique circumstances, such as our vast supply of land in areas where we do not have a market or current marketplace, and the influence of market forces outside the jurisdiction of the region on the future homebuyer.

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

Mr. Stephen Kaiser: Sorry. We tried, but we almost got it in. Thank you.

The Vice-Chair (Mrs. Laura Albanese): Yes, but we got most of it in. At this point, I would ask the official opposition—Mr. Shurman.

Mr. Peter Shurman: Thank you, Chair, and thank you, gentlemen, for a thoughtful presentation.

I'm concerned as well—our party is concerned—with the impact not only on your industry but on the people who are your clients, your customers.

You've indicated that you would favour a threshold change from the \$400,000 exemption that the government has included in its HST legislation to some other number. Would you like to share that with us?

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Mr. Stephen Kaiser: Sure. We don't think that housing should have, at this time right now—and as I said, I build custom housing. So if we're talking about something in the area of an \$800,000 home, with that \$400,000 threshold, you add in another \$24,000 in tax overnight to that home. That same home is getting hit with new development charges from two levels of municipalities, the region and the lower tier, plus all the other costs in terms of the changes to the code.

I don't have an ideal threshold to throw out. I just think it seems absurd that at this point of our economy and where we're at, we're throwing taxes like this on something that creates jobs and investment in the province.

Mr. Peter Shurman: All right. Let's leave the HST per se and go to another item. You talked about various costs that are attached to the transfer of a home. A policy that we put forward as a prospective one would be to eliminate for one year the land transfer tax in the province of Ontario. Would that be something favourable to your industry that you think would spike it?

Mr. Stephen Kaiser: Actually, going back to my days with the Urban Development Institute, it was myself and a gentleman, John Latimer from Monarch, who sat down with Mike Harris and proposed eliminating the first-time homebuyer land transfer tax, or a program to eliminate land transfer tax for the first-time homebuyer. So I'd have to say that I'm in total agreement with that.

Mr. Peter Shurman: Okay. One last question before my colleagues take over. You, in your brief, totalled up \$2.5 billion in what you say will be increased losses in various programs—GST, CPP, WSIB, EHT and so forth. Where did you get the figures?

Mr. Stephen Kaiser: Those figures come from our consultant, Altus, who did an overview of the impact of the new tax.

Mr. Peter Shurman: So they calculated them based on all of the factors that they could pull in and came up with those numbers as estimates?

Mr. Stephen Kaiser: Correct. We'd be happy to supply a copy of that report to the committee if you'd like.

Mr. Peter Shurman: Thank you.

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

Mr. Norm Miller: Thank you for your presentation. My riding is Parry Sound–Muskoka. I was contacted by the Muskoka home builders back when the mandatory WSIB bill, Bill 119, came into effect. They weren't too happy about that. Have you looked at that bill to see—do you have opinions about it?

Mr. Chuck McShane: Yes. We spent, actually, quite a bit of time at the Ontario level looking into Bill 119. It was something else that we could have brought up but we thought these other items, with the time constraints, were more important at this time.

There is a lot of concern over Bill 119, that it will add overhead costs to the corporations, which will drive, once again, more underground economy. We, being legitimate business owners and businessmen, pay our taxes and we pay our WSIB, and we pay whatever levies are put in front of us. By adding more levies with, of course, the HST, the WSIB for owners and principals, as well as a new thing that's on the table now, which is inclusionary zoning, it is basically going to drive so many renovations underground.

In our industry, the builders, especially when it comes to a new house, actually make a better percentage by doing upgrades on the houses. Now, when we have a \$400,000 mark, if somebody buys a house for \$375,000, they're not going to do any extras to the house. The house is going to be sold for \$375,000. They're going to finish their basement—cash money to a contractor who is not legitimate and who is not paying taxes. Therefore, it's a lose situation for legitimate businesses.

With the amount of layoffs that are out there, everybody and his brother is doing drywall, siding, panelling—everything.

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

Mr. Norm Miller: And the HST's going to make it worse in terms of the renovations?

Mr. Chuck McShane: Absolutely. It's going to drive everything underground.

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

Mr. Chuck McShane: Thank you for your time.

NIAGARA COLLEGE

The Vice-Chair (Mrs. Laura Albanese): We now call on Niagara College to come forward. You will have up to 10 minutes for your presentation; that will be followed by five minutes of questioning. The questioning, this round, will go to the NDP. Please state your name before beginning for the purposes of our Hansard recording. You may begin.

Mr. Sean Kennedy: Good afternoon, everybody. My name is Sean Kennedy. I'm vice-president of student and external relations at Niagara College. It's my pleasure to be here with you this afternoon. I'm pleased to introduce my colleague Teresa Quinlin, who is our vice-president of corporate services.

I'd like to begin with a thank you to government for an investment in the post-secondary education system, in the college system, in Ontario over the past many years. The Reaching Higher plan and other investments that the government has made have made a significant difference in the lives of Ontarians through the college training that has been provided to them and the enhancements that the funding has enabled. We also very much appreciate the infrastructure investments that the government has made. That has truly enabled Niagara College to renew our campuses and learning environments, and it has enabled colleges from across the Ontario system to do the same. Our message today is that we feel it's vitally important that those continued investments in colleges have never been more critical and that colleges are vital to the economic recovery and growth of our communities as we move forward.

I'd like to discuss briefly three components of our vision for higher education and the college system as we move forward. First of all is the labour market challenge that's faced by Ontario employers as we look ahead. Second is the vision for higher education and the college system that has been put forth by Colleges Ontario. Third are the strategic investments that we feel are required to enable the college system in Ontario to continue to meet the rising demands from parents, from students and from employers.

There's a new report that has just been released by Dr. Rick Miner. He's the former president of Seneca College. It's entitled *People Without Jobs and Jobs Without People*. That's the labour market paradox in many ways that we now find ourselves in. Despite the unemployment rates that we currently see in this province and across the country and a tough economy, the fact of the matter is that, moving forward, there will be hundreds of thousands of unfilled positions that our employers and our economy will not be able to fill that will threaten to stall out the economy if we're unable to train tomorrow's workforce today.

An aging population and an emerging knowledge economy threaten Ontario's prosperity. The projected shortfall of workers is that as many as 1.8 million positions will go unfilled by the year 2030, depending on population growth.

In addition, we know that 80% of our workforce will require post-secondary credentials as we move forward. If we do not act now to increase the proportion of skilled labour in our economy, a large number of our employers will not be able to compete internationally.

Immigration will assist with meeting some of our labour shortages moving forward but will not fix the problem. We need more underrepresented groups in the labour force, and that begins with getting more underrepresented groups into post-secondary education so that they can participate in the labour force of tomorrow.

We know that a college education is the best route out of poverty and that more underrepresented groups turn to a college to earn their post-secondary credentials than to any other post-secondary environment. Colleges Ontario has a bold vision to meet these labour market and labour force challenges moving forward. The province has an opportunity to implement meaningful and transformational change that will serve to strengthen the economy and achieve sustained growth.

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Ontario colleges' vision for higher education will strengthen Ontario's competitive advantage in four ways.

First, it will increase mobility through a robust credit transfer system. We urge you to consider seed funding and incentive funding to encourage the development of that robust credit transfer system. I think we all know people, parents and students, who have or we have ourselves experienced challenges in moving seamlessly from the college system to the university system or between higher education institutions within the province. Frankly, Ontario lags behind other jurisdictions in this regard and we feel it is very important that we begin to address this.

Second, it will improve access to post-secondary education by increasing participation and attainment rates of Ontario's population.

Third, improving retention rates—and we encourage continued investments in programs that target underrepresented groups so that they not only enrol in our post-secondary institutions but they're able to succeed and graduate. Programs that target first-generation learners, aboriginal students and students with disabilities all have a huge impact in terms of the ability of those groups to access both post-secondary and the labour force.

Fourth, Colleges Ontario has a very compelling vision about better aligning our programs with the needs of the transforming economy. I want to talk a little bit about that right now.

Colleges in Ontario are all about building tomorrow's workforce today. During these tough economic times, it is critical that government remain focused on investing in education and skills of people as the long-term solution to the many challenges that we face. College graduates are in great demand because colleges can train people in the practical skills they need for the jobs of the new economy, such as—and these are examples that Niagara College is looking at regionally but also align with the needs and the future economic growth areas for the

province—renewable resources. As you all know, Samsung has recently announced a huge deal to develop clean energy in the province of Ontario. It's going to be college graduates who help to hook up those wind towers to the electrical grid, who help to install them, who help to fix them.

Other areas that we're focused on and that meet the economic growth sectors in Ontario: interactive media, health and wellness, hospitality and tourism, and advanced manufacturing and technologies. In short, colleges are the key to a transitioning and transforming economy and to helping to meet tomorrow's labour force shortages.

The past few years have seen unprecedented growth for college programs. At Niagara College, we have seen an over 20% increase in enrolments and yet only a 10% increase in operating funds. That gap is what we are concerned about and are hoping you'll be able to address in the budget as we move forward.

The numbers for Niagara College reflect the same numbers province-wide. There's been a huge increase in enrolments across the Ontario college system, but funding has not kept pace with the increased enrolment. At a time when colleges are most needed to train people, colleges will not be able to meet the needs of the new economy unless there's appropriate funding put in place to recognize the growth in enrolments and in demands placed upon the college system. Colleges Ontario is requesting \$163 million in additional operating grants in the coming budget to address enrolment pressures and provide quality programs. This enables the colleges to keep pace. This isn't an increase on a per-student basis; this would be an investment required to keep pace on a per-weighted-funding-unit level with what we've been able to achieve and what we've been successful with over the past few years.

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

Mr. Sean Kennedy: I'm just going to skip to the very last slide, but I just skipped past a bar graph that showed the difference in per-head and per-weighted-funding-unit enrolments.

I guess I just want to close by saying again that we urge government to invest additional dollars to ensure that Ontario colleges can continue to meet the rapidly rising expectations of students, parents and employers. We know it's going to be a tough budget in these times, but we ask you to make that choice so that we can continue to train laid-off workers, high school graduates and, as is often the case, university graduates to receive the industry-focused training to succeed in the jobs of tomorrow.

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

Mr. Michael Prue: Thank you very much. What is the percentage of college graduates who get a job in their field within one year of graduation?

Mr. Sean Kennedy: We're very proud of that record. It's over 90%. Through our key performance indicators,

we measure that system-wide. And even in today's economy, that has been the number up until this year. We expect that it will drop slightly, but even in today's economy we expect it to be close to that 90% of all college graduates receiving employment within six months to a year of graduation.

Mr. Michael Prue: So obviously, this is money that is enormously well spent in a knowledge-based economy. Why have you had such difficulty getting funding? I've been on the finance committee now for all of the last six years in this government. Every year colleges come and look for money and every year they don't seem to get it.

Mr. Sean Kennedy: First of all, I do want to say, through the Reaching Higher plan, I think those additional investments were made, but that has come to an end. So at the same time that additional funding has come to an end, we've had unprecedented enrolment growth, and it's that gap now that we're addressing and we're hoping will be addressed in this coming budget.

Mr. Michael Prue: One of the key areas or key groups of people who I think would benefit most would be First Nations communities, although they often live in isolated areas. What efforts have community colleges made to try to recruit them and give them the skills and abilities that would help get those communities out of dire poverty?

Mr. Sean Kennedy: Every college in Ontario has a fully engaged aboriginal education management circle and has, over the past many years, engaged in a number of initiatives to increase participation and worked with aboriginal communities to increase participation rates in colleges. We're having some success there.

Again, it's one of those areas, as we talked about, where there is a need to continue funding for programs to help underrepresented groups in post-secondary, and aboriginal students would clearly be one. It's critical that we start to engage those students, both in the post-secondary and college systems, so that they can become meaningful participants in the labour force, where we know there are going to be labour force shortages moving down the road.

Mr. Michael Prue: Okay. Does this require any additional level of government funding?

Mr. Sean Kennedy: The \$163-million figure would address the gap between where we are currently, under the Reaching Higher plan, and where our new enrolment levels are. At the moment, the per-head, per-student funding, without that additional investment, will mean that we're unable to continue that same level of programming, and it will affect programs, including those aimed at aboriginal students, first-generation learners, retraining workers—because we won't have those same resources to help engage those students and ensure their success in post-secondary.

Mr. Michael Prue: You have used a quote in here. It is: "The highest labour market demand between now and 2015 will be for trades and college graduates." Do you teach any part of the trades or are you referring there to traditional apprenticeships?

Mr. Sean Kennedy: We are looking at skilled training in a number of technical areas. As well, the colleges are involved in working with apprenticeship employers in the apprenticeship system in delivering the classroom portion and the laboratory training portion of the apprenticeship training system.

Mr. Michael Prue: Okay. Thank you very much.

The Vice-Chair (Ms. Laura Albanese): Thank you for your presentation and for appearing before the committee.

Mr. Sean Kennedy: Thank you.

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BROCK UNIVERSITY STUDENTS' UNION

The Vice-Chair (Ms. Laura Albanese): We now call on the Brock University Students' Union to come forward. Good afternoon. You will have up to 10 minutes for your presentation. That will be followed by five minutes of questioning from the government side. Please state your name before you begin for the purposes of our Hansard recording.

Mr. Rob Lanteigne: Thank you. My name is Rob Lanteigne. I'm the vice-president, university affairs, at the Brock University Students' Union. That is an elected student position. The Brock University Students' Union, or BUSU for short, represents nearly 16,000 undergraduate students at Brock University on campuses both in St. Catharines and in Hamilton.

Today's presentation will focus on two main themes: the reshuffling of some student financial aid that already exists within the system, and some capital funding for the Brock School of Fine and Performing Arts in downtown St. Catharines.

Recognizing the economic time, the asks surrounding financial aid are all about shuffling existing money that is in the system into uses that will better accomplish the provincial goals of access, affordability and persistence.

The first of these is by eliminating textbook and tuition tax credits. These tax credits are actually one of the most inefficient means of student financial aid in Ontario, as they don't support those who need it the most when they need it the most. I'll provide three examples of this.

About 60% of these tax credits go to families with incomes above the national median—clearly not the students who are struggling to finance their education. They are either transferring it to their parents or it's going to high-income families already. Secondly, most students don't actually make enough to pay taxes when they're in school. They receive the benefit of these maybe one to three years after school is finished, when they are already in earning jobs, and not at the time when they are struggling to finance their education. The third is that for students who actually do earn enough during the course of their year to pay taxes, tax credits come at the wrong time of year. They come in March or in April, at the end of the year, rather than in September, at the start

of the year, when they need to finance their tuition and finance their textbooks.

The total amount spent on tuition and textbook tax credits every year by the province is about \$300 million, and we feel this can be reallocated to a number of other priority areas.

The first of these is the maintenance of the Ontario student opportunities grant debt cap. Every student who is receiving more than \$7,000 a year or \$3,500 per academic semester in OSAP receives the amount above that in terms of a grant. This is a program harmonized into the OSAP loan process. Capping debt is the number one way to maintain access to education and to keep it affordable in our province. Ontario was the leader in Canada in establishing a debt cap such as this.

We have stats that show that debt levels over \$10,000 per year actually lead our students to only have a 33% chance of completion of their degree. It also costs four times more for our universities to attract a new student than to retain an existing one. The reason we're asking to maintain this cap at \$7,000 rather than decreasing it to maybe \$6,000 or \$5,000 is because we understand the increased enrolment pressures that will come to the province. The estimated number for this alone, keeping it at \$7,000, is between \$10 million and \$20 million. However, the ministry has provided us a figure in combination with ask number two, which I'll get to right now.

This second one is to increase the OSAP maximum to \$175 per week. Currently, the OSAP maximum is sitting at \$140 per week, and this has been frozen for the past four years. Over this time, it has lost 7.1% to inflation and tuition has risen at 5% per year, for a cumulative 20% increase in tuition. OSAP also calculates a need at far greater than the current cap of \$11,900 per year, and there is a large unmet need that OSAP simply cannot meet for our students. The Rae review in 2005 recommended that OSAP maximums be increased to \$175 a week—this would represent a 25% increase over current existing funding—and to tie this to CPI so that year over year we don't have to keep coming back and asking for increases to the maximum OSAP funding. The Ministry of Training, Colleges and Universities has estimated that to increase this cap to \$175 a week, as well as to keep the OSOG cap at \$7,000, would cost \$50 million next year.

The next piece for redirection would be the grace period after which a loan repayment begins. Currently, students have six months after graduation to begin repaying their loans; however, interest is being charged during this time. The Liberal Party in their previous election platform promised to extend this grace period to a full year, and we would like to see this full-year grace period be made truly interest-free. This would allow students time to move cities, settle with their families and make major purchases such as cars and homes. To make a true interest-free grace period would cost the government about \$30 million a year, not including any of the savings they would see on reduced default rates and reduced interest relief provisions.

Lastly, we're looking for a personal savings exemption. OSAP currently does not allow any personal savings for illnesses, emergencies or bereavement, and there's nothing students can do if these situations arise during their studies. This hurts our mature and second-entry students the most, as there is no exemption for students, and dependants that they have to take care of as well.

The second thing hurting these mature students is that there's no exemption for personal dwellings. These mature students are actually expected to sell their homes or to remortgage their homes in order to afford education. We're asking for the beginnings of an exemption program that would average approximately \$500 per student in the system but will be weighted to circumstances that include the number of dependants a student has and the age that they are. We estimate that this ask would cost about \$120 million a year.

I know I've just given you about \$200 million in new asks, but keep in mind the \$300 million in tax credits, that we believe, could be redistributed in other ways. There are a number of other suggestions that we've submitted to the Ministry of Training, Colleges and Universities that would more than eat up the remaining \$100 million, but they are too numerous to mention in a presentation as short as this. They would include such things as in-study earnings, parental contribution expectations, summer earnings estimates, and regular grants. But the four ideas that I've just presented to you are the highest priorities for students across this province.

The second topic I'd like to move on to is the Brock downtown School of Fine and Performing Arts. This is a collaborative project with the Niagara Centre for the Arts, a city-funded project in downtown St. Catharines. This project will be the cornerstone to the St. Catharines downtown revitalization. It is a \$101-million project when fully funded. Already it is 75% funded through various sources. This project will include nine theatres, including specific theatres for concerts, dance, film and recitals, teaching theatres and other rehearsal space.

There are operating agreements between Brock University and the city of St. Catharines with respect to staff and space in this venue to most efficiently use what we've got available. The construction alone for this project will bring \$178 million in economic impact and bring 100,000 more people to downtown St. Catharines every single year, in addition to the 500 staff and students daily.

What we're seeking is \$26.1 million for this project, and after direct provincial taxes on the cost of construction are taken out, that will be a net \$12.4-million contribution by the province. Brock is financing 40% of this through donors and private contributions, and we're asking for the province to kick in the remaining 60% of this project.

The half of the building that's the Niagara Centre for the Arts is already fully funded; however, the federal funding for that portion of the project comes through Build Canada, and Build Canada has very strict timelines

that put that project in severe jeopardy unless Brock can get its half of the money from the provincial government in the upcoming budget.

I can present a fairly strong case why I think this should be one of the biggest funding priorities for capital infrastructure this year. In 2008, Brock received some money from the ministry as part of its regular capital cycle, and it used this money for a biosciences building, which is currently under construction on the Brock campus. At the end of that year, the ministry then asked each university and each college in the province for their 10-year capital priorities. Brock identified this new school, the centre for the performing arts, as their number one priority. The 2009 federal budget then contained \$2 billion for campus infrastructure across the country, and at Brock this federal money was used to fund the second half of the biosciences building. Every university and college across the province received some of this money. Brock was one of only six institutions that did not receive any provincial money because, as you may recall, the federal stipulations were that they would fund up to half of a project in the province; private sources were expected to contribute the rest. So last year Brock was one of only six schools that received nothing from the province.

There are indications that this provincial infrastructure program, this 10-year program that we were asked to submit those priorities for, will now be slowed down, as it had to be accelerated to match the federal contributions. But if we can't build this project very shortly, the municipal component of the project then falls apart, along with all of the space- and staff-sharing agreements that come along with it. There would be direct competition between two different venues if the city were to decide to go ahead without Brock anyway, as Brock would retain its existing centre for the arts. The Niagara Centre for the Arts would be built downtown, and the same audience, the same performances and the same patrons would be asked to compete between both facilities.

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

Mr. Rob Lanteigne: To sum up, this money is vital to keep the entire project from falling apart, and this project is much more than just funding a school. It's also investing in the arts and investing in a downtown core that badly needs revitalization. Thank you very much.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your presentation. I would now turn it over to the government side. Mr. Arthurs.

Mr. Wayne Arthurs: I think both myself and Mr. Craiton, at least, have questions. I'm not sure if other members, in the limited time that we have—I'm looking to my right just to be sure, in case there's an interest there as well.

Thank you for the presentation. It was obviously well thought out and well documented. I could probably ask you specific questions about it; I'm going to avoid doing

that. I'm going to ask you an entirely different question, and if you can't respond to it because your student union hasn't discussed it in some fashion or doesn't have a position on it as such, even if you have a personal thought on it, that would be helpful.

One of the issues that keeps being brought forward to me is the issue of transferability of credits both between colleges and universities—and it only struck me because the colleges were here earlier—and between universities. It's more of a policy issue, but it has a significant potential financial impact on students who may be transferring between universities—complete programs, in some cases—or transferring between the institutions of universities and colleges. It has implications for the fiscal capacities of the universities and colleges to do their work, i.e. duplicating the same work to get a student presumably caught up or to fulfill their needs.

Has your union discussed the issue of transferability of credits and the implications of that, and if so, can you comment on it?

Mr. Rob Lanteigne: At a student union level, it hasn't been discussed. At a provincial level, discussions are beginning to take place. The issue of transferability for us comes in two main issues, and that's cost and quality. If transferability were to be something that was fully in place and whatever mechanisms were to be worked out for it, we would need to make sure that the quality of a transfer credit would be the exact same as an education that someone would get in the university system, so if they were getting their initial credits in the college system, transferring to university, but also vice versa, making sure that the quality standards were up to snuff.

The second piece of that would be in terms of affordability, because the college system has a lower price tag as it is right now, a lower price tag for tuition, so it could potentially be a cheaper option for students to begin some of their degree at the college system and transfer to a university. But that may take away from much of the quality aspect that we're very focused on and very concerned about.

As I think the presentation highlights, the affordability aspects, the student financial aid in Ontario, do need some overhauls. If we were to see full transferability, we would need to make sure that the student assistance portions of what we do in terms of full-time and part-time students' studies, transferring between institutions, and a lot of the student support mechanisms that universities have—centres for teaching and learning, centres for students with disabilities and many other support mechanisms—are also fully transferable to make sure that students are taken care of as they're making their switch.

Mr. Wayne Arthurs: Thank you. Certainly the issue of quality is one that I fully concur with, that basic principle and certainly the whole discussion around transferability. I hope it's one that garners some legs and some additional discussion. I think it's a worthy discussion we should be having.

The Vice-Chair (Mrs. Laura Albanese): Less than two minutes left.

Mr. Kim Craitor: It's always nice to see you, Rob. You really timed it quite well. We are blessed in this area to have two of the greatest educational institutions in Ontario: Brock University and Niagara College. You had a chance to hear Niagara College, which says that they need more money.

Just to share with you, because you quoted figures: We started meeting at 9 o'clock this morning, and we're now close to quarter to three. I think we're into about \$300 million to \$400 million in requests for funding from the government for different things, and this is only the first day of our meetings. They're going right across Ontario, so that gives you an idea of the amount that's going to be requested by the time we finish all these budget hearings, which are great things to have. I just wanted to put that on the record.

I know we've talked, and there are two things that I do agree with. That's the interest-free grace period—we've talked about that; I think that makes sense—and the personal exemption as well.

In respect to the arts building in St. Catharines, I know my colleague Jim Bradley is in support of that, and I am as well. I wanted to put it on the record that we had been expressing those views at Queen's Park on behalf of the students at Brock University. That's not really a question, but I just wanted to share it with you, and if you want to respond, you're welcome to.

Mr. Rob Lanteigne: I just want to say that hopefully I've tailored the asks that we have by asking for new money in conjunction with the reshuffling of some of the stuff that's already out there, which isn't used in the most efficient manner right now in terms of tax credits.

Mr. Kim Craitor: Thank you.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much. The time was concluding. It had almost expired. Thank you for your presentation.

ONTARIO COMMUNITY SUPPORT ASSOCIATION

The Vice-Chair (Mrs. Laura Albanese): We'll call now on the Ontario Community Support Association to come forward. Good afternoon. You will have up to 10 minutes for your presentation. That will be followed by up to five minutes of questioning, and this round will be going to the official opposition. Please state your name for the purposes of Hansard.

Mr. Patrick O'Neill: Good afternoon. My name is Pat O'Neill. I'm the chief executive officer of Niagara Ina Grafton Gage Village in St. Catharines. Thank you for the opportunity to appear before the committee.

I'm going to try and give you a perspective from our organization and a not-for-profit home and the community health sector on some of the deliberations and tough decisions you're going to have to make with the upcoming budget.

I have to show my bias, because I'm a Niagara College grad and I liked their presentation. My son has OSAP loans—and I liked his presentation because everybody has got their hand out.

I'm going to talk to you mostly about seniors and community support. For those of you not familiar with Ina Grafton, let me give you a little bit of background. We are a seniors' community village in St. Catharines. We sit on 15 acres of property in the north end of St. Catharines. We're a charitable, not-for-profit corporation. We provide multi-level seniors' care. Our residents live in a combination of housing, bungalows, apartments, market-rent-geared-to-income and long-term care, and we've been doing that for over 50 years.

The organization we belong to is the Ontario Community Support Association, so I'm wearing two hats today—my OCSA board hat and my CEO hat. We employ 100 staff, and we have 250 volunteers to serve our 400 residents. I recognize that this particular year is a very challenging fiscal situation for the government. Likewise, as an organization trying to make ends meet to provide care to our clients, we want to ensure that we prioritize and manage the public purse wisely so that the money is spent where it needs to be spent, which is on client care.

But this reality is inseparable from the demographic changes that are occurring in our community and the province. The population is aging while, at the same time, we're living longer, chronic diseases are becoming more prevalent and smaller families are often scattered across the country. This makes caregiving more challenging, as these people do not have families and it falls on the community care sector to fill that void.

People need care. They want to be in their homes. They do not want to be in hospitals or institutions. The health outcomes and overall quality of life improve when comprehensive home and community support services are available to them. For example, at Ina Grafton, I have three senior citizens all over 100 years of age. They live independently in an apartment, or a bungalow, with some support services. Years ago—just even a few years ago—they would have been placed in a nursing home. We can look after somebody in their own home for about \$25 a day. You do the math, because it costs hundreds a day for a nursing home and many hundreds, if not thousands, if they wind up in acute care. We also have a large segment of our population who are in their 80s and 90s who are also independent with a little bit of home assistance.

What we're suggesting is that we need, at a minimum, inflationary funding to continue to provide quality care. Community support and community care is a more cost-effective means of health delivery than institutional care. If you invest in home and community care, you free up hospital beds, you unclog emergency waiting rooms, and I can tell you that at our organization we're able to intervene and assist clients long before they call 911 and wind up in the emergency room. We provide 24-7 personal support services so the clients feel secure in their own home. We recognize the residents' rights and

abilities to control their own lives, make decisions and choices, assume some responsibility for their actions and, most importantly, live with dignity and equality within our community.

1450

Statistics show that community care decreases long-term-care home placements and long-stay hospitalizations. As I said before, both of these are expensive options. It's cheaper to keep them at home. The position of my association is that we would like the funding for community-based health services for the coming year to be preserved and that some strategic investments be considered.

One such strategic investment is to support the implementation of the common assessment instrument in the community support sector. This tool, if implemented in a speedy fashion, would do much to ensure that services are targeted at those who will benefit the most. The data that this tool generates will be extremely valuable for decision-making at the service delivery, funding and policy levels. We encourage you to invest sufficient resources so that community support workers can implement this common assessment instrument.

We're also asking that you maintain and enhance funding levels for home and community support services and keep them consistent with services that are effective and affordable in terms of delivering health care. We urge you to maintain funding to the local health integration networks and support new funding initiatives to help people continue to live at home and age in place.

We do have some concerns about the HST, but I will only say that while we recognize that steps have been taken to ensure that the impact on charitables will be fiscally neutral, we're asking that you keep an eye on that situation as it could cause us some financial implications if those guarantees aren't in place.

Another concern that we have is the serious shortage of home and community health workers in certain areas of the province. The difficulty with recruiting or training workers is that there are obvious wage disparities, depending on whether you work for a community agency that has a limited budget, and these people only get, like, \$12 an hour, or if you're in a hospital or an institution like a long-term-care facility, where they get \$18 an hour and some have pensions and some don't have pensions. So there's a huge disparity there that I would ask that you look at.

We believe that personal support workers are extremely important to our sector; they provide 70% to 80% of the care in the community. We have had some concerns recently about the quality of training being provided to these workers. Public confidence and the confidence of employers has been undermined by recent media reports of abuse situations and inadequate training. We urge you to provide resources for the monitoring of the training organizations to ensure the quality of the training.

In closing, I want to encourage all MPPs to think strategically and invest in home and community services

now. That will save the government money in the future and, most importantly, it will improve the health of Ontarians. Thank you.

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

Mr. Norm Miller: Thank you for your presentation. I think you've given some good advice in terms of thinking strategically and prioritizing. It's certainly something I think the government has to do, especially in light of their \$25-billion deficit. We certainly have heard from some other groups that talked about prioritizing.

I should also say that your village looks quite impressive. I wish we had something like that in my own riding of Parry Sound–Muskoka.

Mr. Patrick O'Neill: Thank you.

Mr. Norm Miller: I can't say as we have anything. We probably don't have the numbers for it, but it does look very impressive.

Have you got any other advice for government in terms of prioritizing the scarce dollars that are out there?

Mr. Patrick O'Neill: Everybody thinks they're important. Acute care is important, long-term care is important, community care is important, but it's like any illness or any chronic condition: If you invest money at the preventive end, you never get to the chronic end. So what I'm saying is, community care—we try to prevent the clients we look after from ever entering the acute care system unless it's life-threatening. It's cost avoidance, but unfortunately, we can't prove it.

There are going to be more and more people in the community; the baby boomers are coming up fast. The age segment from 50 to 70 is just going to flood the health care system, so you're going to have to find a way to keep the money out there in the community so that they stay in their own homes. That's my biggest priority.

Mr. Norm Miller: You stated that you had HST concerns. Is it going to be an extra cost for your sector?

Mr. Patrick O'Neill: No one has told us exactly how it's going to work, but we don't pay provincial sales tax, and we're GST—half of it's exempt; we get it back. So the simple math right now is, without some of those guarantees in place, we could increase our costs by the full cost of HST. Again, we're dealing with seniors—a vulnerable population—we're on fixed budgets and it's not something that we had planned for in our budgeting. We'd like to continue with the exempt status on most of those items that we buy: the medication, adult briefs, medical supplies. We've only been told verbally that a lot of those things will be exempt but we haven't seen it yet. We're trying to do our budget planning.

Mr. Norm Miller: Mr. Shurman has a question as well.

Mr. Peter Shurman: Mr. O'Neill, I'm 62 years old and you're scaring me.

Mr. Patrick O'Neill: I'm right behind you. I'm 57 and I'm scared myself.

Mr. Peter Shurman: I'm concerned even to a greater extent than you. I take the veracity of what you say about

investing in the future because of the aging population legitimately and hence my little attempt at humour. In my own constituency of Thornhill just north of Toronto, where we have a significant senior population, the attempt put forward, notably by this government, trying to provide more home care, is coming back to bite because I'm getting an increasing level of complaints from people who are saying that home care, rather than being increased, is being reduced. Does that parallel your experience?

Mr. Patrick O'Neill: I need to give you a little bit of background on home care. Most home care in the province is delivered through community care access centres, so they're the access point. In the agency that I run, we have a fixed pot of money that we get through the LHIN. We administer it ourselves, so we're able to do our own assessments and prioritize. It's because we're on a campus-like setting that we can do that. If the community care access centre and the health integration network would adopt some of the business practices that we have, they could get out there and deliver the service faster. What you're seeing is the difference between an agency that just hires VON or St. Elizabeth's and says, "Here's 20 visits; go make 20 visits"—we don't do that. We know our clients; they don't know their clients.

Mr. Peter Shurman: I hear what you're saying and I think it probably provides a greater degree of protection for your clients, but do you feel that overall the stewardship of this file—and I'm talking about seniors particularly being kept out of chronic care or nursing home institutions—is being handled well at this point?

Mr. Patrick O'Neill: In the last three years, I would say yes. We've seen a lot more money available in the community but everybody still thinks that hospitals are sexy. Sorry, my bias is showing again.

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

WINDFALL

The Vice-Chair (Mrs. Laura Albanese): We will now call on Windfall to come forward. Good afternoon. You have up to 10 minutes for your presentation. There could be up to five minutes of questioning. Please identify yourself for the purposes of our recording Hansard before you begin.

Ms. Helen Harakas: My name is Helen Harakas, with an "H," and I'm the executive director of Windfall. Thank you so much for this opportunity to tell you about the work of Windfall and to show you how the province can spend only half a million dollars but save over \$14 million by funding our ingenious programs.

With record deficits, there has never been a more critical time for the province to spend wisely. Windfall's programs offer you an incredibly smart solution to priority areas such as poverty, jobs, the environment and engaging the private sector in assisting with social services.

What is Windfall? A registered charity since 1992, Windfall receives donations of brand-new clothing and other basic-needs items from private corporations and distributes them to more than 64,000 people—one third of whom are children—living in poverty. Distribution is done through partnerships with 100 other social service agencies that come into our warehouse each month to pick up the items and take them back to their clients. Windfall provides an efficient and cost-effective way for businesses to support government-funded social service agencies and the needy individuals they serve. The fact that the donated items are new helps to build self-esteem and a sense of dignity in people who are struggling to improve their lives.

1500

Partner agencies: Partner agencies include shelters for abused women and children, shelters for the homeless and those at risk of becoming homeless, programs for people with mental illness and health issues, programs for people with substance abuse problems, halfway houses, centres for immigrants and refugees, community centres in high-risk neighbourhoods, street youth programs and shelters, parent-child centres and job training programs.

The items we distribute: Examples of items we distribute include work clothing, casual clothing, underwear, socks, shoes, coats, deodorant, shampoo, other toiletries, linens, kitchen utensils, books, toys, school backpacks, school supplies, snowsuits, and baby care items. In other words, Windfall provides all the basic necessities, other than food and shelter, that people require to rebuild their lives.

Our largest donors: Windfall makes it easy and cost-effective for private industry to donate its surplus items. With one phone call, donors can quickly, easily and free of charge donate tractor-trailers full of brand-new items that they would otherwise sell at a loss or dump into landfills. With a solid reputation for integrity and subsequent word-of-mouth advertising, Windfall currently processes over 350,000 clothing items and millions of other basic-needs items each year. Donor companies include Winners, Gap, IKEA, H&M, Johnson & Johnson, Haggar, Levi's, Tabi, Banana Republic, Old Navy and Ash City.

On-site job training program: Alongside the distribution of \$14 million worth of items, we also support people who need employment training through our employment basics program. We offer meaningful work placements for people with intellectual challenges in partnership with Community Living. This group of special individuals opens up the boxes, counts the items, removes the labels, sorts and repacks the items for distribution. Last year we initiated year-long placements for clients on Ontario Works, giving them valuable Canadian work experience in a variety of areas, including administration, warehouse management, retail and fundraising. We currently have a total of 15 individuals placed on-site with us.

A unique, ingenious and award-winning social service model: Brilliant in its simplicity, Windfall received the

Vital Ideas Award in 2007 from the Toronto Community Foundation. Other awards include the Order of Canada and Flare magazine's Lifetime Achievement Award for Windfall's co-founder, Joan Clayton.

Windfall is the only organization of its type in the entire country. We're the only charity dealing exclusively with brand-new items. Other than wedding gowns, Windfall does not sell any donation, and that makes us a favoured donation point for many highly recognizable companies. They cannot have their items sold at charity discount stores. We often receive current items that are actually selling for retail price in the stores.

Windfall does not provide a band-aid solution to poverty. Clients receiving the items are registered participants in social service programs. We do not distribute directly to individuals. The clients are already engaged in residential or day programs and are working hard to improve their lives, get off government assistance and become productive and contributing members of society. The huge dose of dignity and the ease of financial burden clients get from our donations also give them a sense of pride, hope, belonging and the drive to continue to work towards their goals.

Who are the clients? A large number of our clients are women and children escaping abuse. When they enter a shelter, they're usually entering with just the clothes on their backs. Having run away for their safety, they leave behind clothing, personal hygiene items, books, toys, backpacks and school supplies. We provide basic necessities that are comforting to those going through a trauma and include sleepwear, slippers, blankets, toys, books, school backpacks, school supplies and toiletries.

Once clients are ready to leave the shelter, most go into subsidized housing. They live in poverty, eating out of tin cans because they have no kitchen supplies, and sleeping on bare mattresses or floors because they have no bedding. Windfall's home basics program provides items such as pots, pans, utensils, blankets, sheets, towels and other necessary housewares.

Other clients in similar situations include people who are coming out of residential programs such as psychiatric care facilities, youth shelters, homeless shelters, halfway houses, aboriginal services, and centres for recent immigrants and refugees. No matter what clients are dealing with, the common thread they share is living in extreme poverty.

Child poverty in Toronto is at an all-time high. Windfall serves over 21,000 children and youth who are living in dire poverty. Other partner agencies report that the children using their programs do not have adequate clothing and footwear, school supplies, books or toys. In the winter we hear that children in the programs come in with frostbite because they do not have snowsuits, boots, hats and mittens. Without proper clothing and school supplies, poor children are further ostracized, adding to the negative short- and long-term effects of poverty on their intellectual, social, emotional and physical development. Without proper clothing and school supplies, they cannot participate fully in their schools' programs. The

true cost of the negative impact of child poverty cannot even be measured.

Windfall's kids' basics program works to ensure that no child goes without the basic necessities. Sadly, we currently meet only a small portion of the need. The expansion of this program is a priority.

The importance of personal image: A root cause of poverty is the lack of a job. Windfall's employment basics program provides work-related clothing such as suits and workboots to clients who are in job training programs and ready to go to interviews. In 2003, Toronto Community and Neighbourhood Services conducted a study of single mothers on Ontario Works in which barriers to employment were examined. The study's most relevant finding was that once there were adequate jobs available in an economy, the main reason clients could not get or keep a job was the lack of appropriate clothing or personal care items. Moreover, the importance of first impressions in a job interview has been well documented. Employers size up applicants within the first few minutes of meeting them. It's critical for clients on government assistance who are seeking jobs to present their best image at interviews. The importance of maintaining a positive appearance and personal hygiene once a client has started a new job is obvious. The long-term benefits of increased confidence, dignity, self-esteem and steady employment are immeasurable.

Windfall puts over \$28 into the social service system for every dollar spent to operate. Windfall's annual operating budget is just over \$500,000, yet we put over \$14 million worth of brand new items into the social service system. A single recent donation of feminine hygiene products from Johnson and Johnson was worth \$500,000. These vital, non-negotiable items went to women's shelters and programs, saving them a total of \$500,000. With only this one donation, Windfall paid for itself. Another donation of two 53-foot tractor-trailers of comforters and pillows from IKEA was worth several hundred thousand dollars. The examples of cost savings to provincially funded agencies are endless.

As a charity, Windfall receives a lot of operating support from several sources. Our employment basics program provides us with over \$200,000 worth of labour. Remco Group, a transport company, donates \$50,000 worth of trucking annually. Our more than 70 dedicated volunteers donate more than 6,000 hours of time each year. Liability insurance, printing, graphic design, public relations, fundraising, rent, building improvements and a host of other services are either donated or subsidized. The money we spend to operate constitutes a bare-bones budget that cannot be cut further. Our incredible return on investment of 1 to 28 is possible because we're supported by a multitude of dedicated companies and individuals.

The environmental impact: Because Windfall makes it easy and cheap for companies to donate their surplus items, we help keep over 100 tons of perfectly usable product out of landfill sites. There have been recent reports out of New York City of large chain stores,

including Walmart, slashing and dumping new, unsold items. Windfall has received several calls from media outlets regarding this issue, and we expect it to remain controversial for some time to come. The slashing and dumping issue has brought even more attention to the fact that many retailers and distributors dump their surplus.

Due to consumer demand, more and more companies are adopting environmental and charitable policies. Thus, the number of donated items to Windfall continues to grow, making our services more critical than ever.

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

Ms. Helen Harakas: The need for expansion: In October 2009, Windfall hosted a reception for MPPs at Queen's Park. The most common remark we heard from those who represent ridings outside the greater Toronto area was, "We need a Windfall in my city." Windfall receives daily calls from agencies outside our current catchment area and from many individuals outside the area who need our help, from Newfoundland to British Columbia. Our long-term goal is to establish Windfall programs throughout the province and, later, the country. Wherever there are stores, there are surplus items.

The calls for expansion are incessant and cannot take place until our flagship location in Toronto is in a stable financial position. Each year, our staff team of five and our volunteers must raise our entire budget, while also putting out \$14 million worth of items into the system. Without Windfall, social service agencies would be forced to purchase these items that the clients require, literally wasting money.

Over the past six years, Windfall has grown from three staff and a budget of \$250,000 to five staff and a budget of \$500,000. While our staffing and expenses have grown by 100%, our output has gone from \$4 million in 2004 to \$14 million last year. That translates into an increase of more than 350%. The need to continue to expand has never been greater, but our fundraising capacities are stretched to the maximum.

We receive no ongoing government funding. With our existence always in question, we cannot undertake any form of expansion. It's very difficult to plan for the future when you don't know if there's going to be one.

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

Ms. Helen Harakas: Without stable, ongoing, core funding, Windfall's future will always be unstable and in jeopardy. We're urging you to provide funding to this incredibly unique, cost-effective program that saves the province millions of dollars each year. The need for our programs is growing. The surplus items are everywhere. We're seeking \$500,000 in annual core program funding from the province of Ontario in order to stabilize our Toronto head office and begin expanding into other communities.

The Vice-Chair (Mrs. Laura Albanese): Thank you. Take a sip of water.

Ms. Helen Harakas: I knew that it was 11 minutes long, and I had to cut it to 10.

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

Mr. Michael Prue: Yes, that was incredible. You got so much in there in 10 minutes.

I'm very familiar with this organization, and I encouraged Helen to come here today because this is probably the most cost-effective and wonderful organization you can imagine. I know that several members of the Liberal government, several cabinet ministers, have come in recent weeks to visit you. What were you able to show them?

1510

Ms. Helen Harakas: We've met with both Donna Cansfield and Laurel Broten. They're both extremely excited and they were waiting to hear back about my presentation here today. They are blown over and they absolutely think that everybody should fund us. I don't know if they have any pull.

Mr. Michael Prue: Okay. Now, the 28-to-1 ratio is really quite amazing. What would you do with the extra half a million dollars? You already get \$14 million. Could you realistically get \$28 million—an additional \$14 million, making it up to \$28 million worth of new goods and clothing to give away?

Ms. Helen Harakas: The \$14 million is actually a report from the end of our 2009 fiscal year, which was at the end of April. Our next fiscal year is in April 2010. We believe we're already at \$20 million, so being able to increase the number of items coming in and going out without increasing staff substantially is not that difficult. With the clothing, we cut out the labels, and that takes a long time, as you can imagine—opening the boxes, cutting out the labels and repacking. With shampoos, deodorant, all those other products, it's simply a matter of taking the box and putting it into the bucket for the agencies to come and pick up. We believe we could very easily increase, even double, what we do right now, if we're here.

Mr. Michael Prue: You've given the example in New York where companies just literally slash the clothes and throw them in the dump. Does that happen in Ontario?

Ms. Helen Harakas: The two companies that were specifically accused in the New York City controversy were H&M and Walmart. We're actually being interviewed by Fairchild, the Chinese TV station, on Thursday about the H&M situation, because I'm very happy to say that Windfall has been working with H&M since the minute they came to Toronto. They didn't even have a store open and we were talking with them.

Walmart is another issue. We haven't been able to talk with them yet. We're actually a little bit afraid of going to Walmart because what will happen when we get thousands upon thousands upon thousands of items from them? We're not equipped to handle it right now. How can you set up a situation when you don't know if you're going to be here in six months?

Mr. Michael Prue: Right now, you distribute to agencies in the Toronto area. If the government were to give you half a million dollars, what would be the plans?

Ms. Helen Harakas: With core funding of half a million dollars, our Toronto office would be stabilized, which would take away three quarters of the work that I and a couple of other staff members do, and that would free us up to go into other communities. We understand that expansion is much easier to fund. There are many MPPs that we spoke with in October who said they would help us open up in other areas, probably partnering with existing agencies and not going in there and reinventing the wheel from scratch. So we believe that expansion money is not going to be such a problem and expanding is not going to be as difficult. It's the stabilization of the head office that has been the problem.

Mr. Michael Prue: The money that you are seeking, is this one-time funding or are you looking for \$500,000 per year?

Ms. Helen Harakas: We would like annual, ongoing core funding of half a million dollars, but if we ever reach a point where we don't need it, we would tell you.

Mr. Michael Prue: Okay. Now that's a question they may be asking. You haven't needed it till now, why now?

Ms. Helen Harakas: I've been at Windfall for six years. When I started there our budget was \$250,000; it's about \$500,000 right now. That's about as much as our current staffing component can bring in. We're all working 24 hours a day, seven days a week. We cannot bring in any more and it's really difficult to plan and keep it going without knowing. Historically, we've always just made it by the skin of our teeth, meaning that a miracle has happened, but you can't build a business plan on miracles.

Mr. Michael Prue: Anything else you need to tell us? I've almost run out of questions.

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

Mr. Michael Prue: What about merging with other agencies? Is that a solution, if the government doesn't give you money?

Ms. Helen Harakas: I've spoken with a couple of executive directors of other different agencies. Windfall is a small organization. Merging with another organization would mean that the top management would be gone, which would be me. That's fine. I have many job offers constantly, so it's not a personal thing. I'm very happy to give it up if it would work. However, if I leave, I bring in four times the amount that I'm paid, so we would in fact be behind.

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

MULTIPLE SCLEROSIS SOCIETY OF CANADA, ONTARIO DIVISION

The Vice-Chair (Mrs. Laura Albanese): I now call on the Multiple Sclerosis Society of Canada, Ontario division, to come forward. You will have up to 10 minutes for your presentation. There could be up to five minutes of questioning after that. I would kindly ask you

to identify yourself for the purposes of our Hansard recording, and you may begin.

Mr. Ian Greaves: Thank you. I'm Ian Greaves. I'm a volunteer with the MS Society, and I come here this afternoon representing the Ontario division. We have made a formal submission to this committee, which I've provided for your records.

We're not here really asking for major new investments, which I'm sure you'll be glad to hear. We are looking for some realignment in certain programs that are under way, and we feel that this will be very worthwhile.

The first program: With its commitment to accessibility, Ontario is a leader in this entire country. I'm referring to the AODA, which is recent legislation, which is now in the process of being developed with regulation. We see that there is great potential to transform this province that we know today. From my own experience as a member of the provincial accessibility standards advisory council and also several accessibility committees here in Niagara, I know how important this is to people with disabilities.

The MS Society urges the government to continue to ensure that the implementation of the Ontario accessibility standards remains a priority—we would hate to see any reduction in effort or impetus in this area—and also that compliance to these standards should be monitored and reported on, as is the current plan. We really are asking that this continue on and be funded.

Supportive housing: This is a very important issue to us. Access to supportive housing in Ontario is extremely limited. Wait-lists in many communities are between three and 10 years, and this really is found across the entire province. This is simply too long for individuals facing a housing and care crisis.

In budget 2009, Ontario announced more than \$360 million to help create new affordable housing for low-income seniors and persons with disabilities. These funds have helped to improve access to housing, as well as securing many construction jobs. The MS Society supports and applauds these initiatives and encourages continued investment in affordable housing.

These dollars must also create supportive housing, and this is where we're seeing, really, a slight realignment in the housing program. By providing the care and support needed in their own homes, people with disabilities can remain active and engaged in their communities, thus reducing the health crisis and need for emergency care in hospitals. These are wise and necessary investments, and we've heard from a previous speaker this afternoon where if we can endeavour to help people stay in their own homes, this really provides a saving to the entire system. We'd like the affordable housing strategy to give priority to supportive and accessible housing.

Another very important issue to us is age-appropriate long-term care. Even with improvements to supportive housing, some young adults with MS and other disabilities may still require institutional care. Far too many young people end up in nursing homes, homes designed

for elderly residents and lacking in services and activities suitable for disabled people.

1520

Almost 20% of patients in Ontario's complex continuing care hospital beds are between 19 and 64 years of age. This is of particular concern to the MS Society because of the early age of onset of MS. A 35-year-old with MS who enters a long-term-care facility designed for the frail and elderly may remain there for 40 years or more. Age-inappropriate living conditions often result in anxiety, depression and long-term mental health issues that increase the already complex health needs of these individuals.

We have situations of the type that I'm describing here just within a few kilometres of where we're sitting right now. We have members of our own local MS chapter who are barely 50 years of age, living in long-term-care facilities, right alongside many residents 80 years and much older.

Through the long-term-care renewal strategy, the Ministry of Health will redevelop 35,000 long-term-care beds—that's 3,500 beds annually over 10 years—to ensure equitable access to quality long-term care. This program is under way.

To provide greater hope and help to the young people with MS, we are suggesting that the province should allocate a portion of this long-term-care renewal strategy to create more age-appropriate spaces for younger people.

Family caregivers: Family caregivers provide an essential part of Ontario's health care system. While caring for spouses, children and parents or extended-family members, these family caregivers are often invisible, and they can be under considerable stress. With rising costs in the health care system, we need the continuing contribution of caregivers from the family.

While some long-term solutions in health care require a great sea change in thinking within our current economic reality, we feel that the government could help out by convening a diverse task force of employers, insurance providers and caregivers to examine and test workplace policies to benefit caregivers, including innovative approaches such as gifts of care, caregiver insurance and provisions under CPP.

The MS Society is committed to partnering on this important initiative and we would like to see some leadership from the Ministry of Health, with your encouragement, that could really get this rolling.

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

Mr. Ian Greaves: Thank you. I have a final point: the harmonized sales tax.

Our society appreciates measures taken to reduce the impact of the HST on Ontarians, especially those with low incomes. Many of our members with disabilities live on limited incomes and incur major costs from medically necessary goods and services, such as mobility devices, vehicle conversions, physiotherapy, home care and home-care cleaning services.

The costs of these services on their own are often difficult to undertake for people with chronic illness. A further tax will make it even more difficult. We suggest that the province should remove the provincial portion of the HST from all medically necessary devices, goods and services.

Thank you. I'm happy to take some questions.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for your submission. I believe it's the turn of the government side. Mr. Arthurs.

Mr. Wayne Arthurs: I'll just check to my right through the couple of questions that I have in the event that any of my colleagues want a little bit of the time for any questions they may have. If not, we can chat for the four or five minutes that are available to us.

I really have two questions at this point, and they're somewhat generic. One is on the issue of age-appropriate housing. I've had individuals in my office coming in to educate and inform, and we never really get to the discussion: What does it look like? What's the nature of the housing that will be age-appropriate, particularly for those younger people who are looking at longer-term care? This is one of these opportunities to have that on the record here. It's a generic phrase, but it doesn't lend life to the experience of that person who is going to have it over a period of time. That's my first question.

My second question is one that's probably common to us all in the context as legislators as we look at the work that ministries do. What's the experience with the traditional silos that ministries have? Presumably, someone with MS, over time, will deal with housing; they'll deal with health and long-term care potentially; they may deal with community and social services. From your experience or the society's experience, what can be done to help integrate the provision of services to limit the amount of time and energy it takes for someone who is looking for service and not having to deal with multiple ministries? Is there a way that the government can do those things better?

Mr. Ian Greaves: Okay. On your first question on age-appropriate long-term care: possibly the form that that type of housing could take. I think that's really what you're asking me.

Mr. Wayne Arthurs: Form and facility and capacity.

Mr. Ian Greaves: A suggestion there: We're really looking at a form of what we call congregate care, which is often used in the Ministry of Health. This can take many different actual forms in the community. It could be what is technically an apartment building in any city, where an organization such as March of Dimes might have 25 or 30 units where they have on-site personal support workers who can provide assistance at various points during the day. This enables the resident to stay in an apartment building and still have much discretion, leadership and choice in their own future and living conditions, but at the same time they've got really terrific support when they need it—for example, getting into bed; dealing with their own personal care issues during the day; possibly getting supper started; putting things in

and getting things out of the oven. If we can deal with specific issues such as these, many people can carry on living very happily in a typical apartment unit, as one example.

Your second question was—

Mr. Wayne Arthurs: Ministries tend to have silos, and the challenges of getting services and/or responses integrated.

The Vice-Chair (Mrs. Laura Albanese): Just about a minute left for the answer.

Mr. Ian Greaves: Yes, absolutely. That's always a challenge. I could suggest that possibly, single access for people with disabilities may well be developed through the Accessibility Directorate, which is part of the Ministry of Community and Social Services. Their staff is certainly well versed in the issues affecting people with disabilities. That might provide one-window access.

1530

Mr. Wayne Arthurs: Some political prioritization of that challenge would be helpful.

Mr. Ian Greaves: Yes, that's right.

Mr. Wayne Arthurs: Thank you so much.

Mr. Ian Greaves: You're welcome.

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

COMMUNITY LIVING ONTARIO

The Vice-Chair (Mrs. Laura Albanese): We now call on Community Living Ontario to come forward. You might have heard this earlier, but you have up to 10 minutes for your presentation. That will be followed with up to five minutes of questioning, and this time they will come from the official opposition. Please state your name for the purposes of our Hansard recording, and you may begin.

Mr. Claude Perreault: My name is Claude Perreault. I'm from Welland, Ontario. I am a board member for Community Living Welland Pelham. I also have a brother who has an intellectual disability. I'm very grateful to be able to present on behalf of Community Living Ontario at this time, so thank you.

Mr. Gordon Kyle: I'm Gordon Kyle. I'm the director of social policy and government relations with Community Living Ontario.

Mr. Claude Perreault: First of all, I thank the committee for the opportunity to present Community Living Ontario's issues and recommendations regarding the 2010 provincial budget.

There are approximately 120,000 people in Ontario who have an intellectual disability. As a group, people who have an intellectual disability experience much higher levels of poverty than do other citizens, and as such are far more vulnerable to the effects of recessionary times, when income levels and availability of social supports are potentially restricted.

Of working-age people who have an intellectual disability and who live alone, 73.2% live below the poverty line. This is compared with 23.3% of Canadians

without disabilities. Overall, working-age people who have an intellectual disability are almost three times more likely than working-age citizens without disabilities to be living in poverty.

For more than 60 years, Community Living organizations have created and provided a wide range of supports and services to assist people who have an intellectual disability to live in their communities. Across the province there are 117 organizations that are members of Community Living Ontario.

We acknowledge that government is currently facing some extraordinary economic challenges as a result of the current worldwide recession. Community Living has always worked in concert with the government to make the most efficient use of public funds in addressing the needs of people in Ontario, and we commit to continuing to do so. Our following recommendations recognize the current economic realities and are aimed at ensuring that people who have an intellectual disability and their families receive the support necessary to weather these difficult times, and that Community Living organizations throughout the province have the tools necessary to respond to the needs of their communities.

Our comments and recommendations will focus on three areas: the effect of funding reductions on the developmental sector; the need to address poverty; and finally, possible areas of investment in the developmental services sector.

Cuts to the sector: Since 2007, the focus of any new funding to the developmental services sector has been aimed at addressing historically low wages paid to workers who provide front-line supports to people. While some progress has been made in increasing wages, the result of this focused investment has been that almost no new funding has been directed at addressing ever-increasing waiting lists for services.

In response to this, late in 2008 the ministry required that funded agencies in the sector take part in a process called the increased community capacity initiative. The aim of this initiative was to implement strategies for creating new supports and services without any new funding being provided. Significant numbers of new services were created for people on waiting lists as a result of this initiative. While there was no new government funding provided, there were real costs to the exercise with respect to reducing the resources needed by the sector to maintain its flexibility and capacity to respond to continuing demands.

The developmental services sector has never been richly funded. Through committed community groups and creative collaboration, the sector has always managed to provide more support to citizens of Ontario than would be indicated by the levels of funding provided.

For a sector that has always been lean with respect to resources, exercises like the increased community capacity initiative do not result in cutting fat but cut right into the muscle of the sector, leaving it weakened.

There have been many reports in the media lately, and elsewhere, speculating that the government may consider

cuts to funding in the upcoming provincial budget. Should the government consider that cuts to funding are needed to address current financial pressures, we wish to deliver a simple message. The developmental services sector has already been cut and cannot sustain further funding reductions at this time without significantly reducing supports and services and putting people at risk.

Addressing poverty: We wish to address next the critical supports provided to people with disabilities through the Ontario disability support program income supports. We were pleased with the announcement in December of a plan to review social assistance in Ontario. There is wide acknowledgement that the current disability income and employment support system is in desperate need of repair. We look forward to participating in the review. We will be recommending changes for the short and long term to address rules that aggravate the poverty experienced by most people who have an intellectual disability. A broad strategy is needed to address disincentives to employment, enable ODSP recipients to keep more of what they earn, and to enable asset-building strategies so that people can build their own capacity to escape poverty.

In the meantime, it would be unacceptable to allow benefit rates under this program to further deteriorate. Over the past number of years, the provincial government has ensured that ODSP benefits were adjusted annually to keep pace with the cost of living. In a time of such economic instability, it's more important than ever that the government provide the funds necessary to ensure that the purchasing power of ODSP is not eroded. At a minimum, the 2010 provincial budget should provide new funding to increase payments to recipients by an amount equivalent to the annual cost of living.

New investments: The third and final area that we wish to address is that of new investments to the sector. The government has made it clear that resources are very limited and that expectations for new funding should be tempered accordingly. While we've heard that message, we are obliged to tell you that there are areas in need of funding support that should be addressed in order to avoid harm to citizens who have an intellectual disability. Where there may be an opportunity for providing new funding in the coming period, we recommend the following three priority areas within the developmental service sector:

(1) A growing number of people who have an intellectual disability and their families are not receiving critical supports and services. Waiting lists in the sector continue to grow in communities across Ontario. Over a short period of time, the waiting list for the special services at home program has grown to exceed 5,000 people. This is a dramatic increase given that up to 2008, the waiting list for this program was reviewed and fully eliminated on an annual basis. We estimate as well that there are currently more than 10,000 additional people who are on waiting lists for community supports and services. Among these are numerous families where senior parents continue to play a significant day-to-day role as the primary support

for their son or daughter with a disability. Individuals and families are being put into situations of great risk. It is not possible to begin to address these dire needs without new investments.

(2) In 2008, new legislation was introduced to replace the outdated Developmental Services Act. The new social inclusion act is currently being implemented and will govern the supports and services that are provided to people. However, it's not possible to advance the changes envisioned by the legislation without the commitment of additional resources. Should the government attempt to implement the new administrative structures needed to introduce this legislation without providing new funding, the only place within existing budgets from which to take the funds would be from the services provided to people, the result being a cutback in services and supports.

(3) Over the past two years, strides have been made to improve the historically low wages paid to workers in the sector. Steps must be taken as the economic climate improves to finish the work that has been started and ensure that a reasonable wage is paid to the workers. In the meantime, we must not lose the gains that have been made and must not allow wages to slip back. To do so would risk increased labour unrest in the sector and significant reductions in the quality of staff that can be attracted to provide services and supports.

1540

We wish to thank you for this opportunity to provide you with our issues and our suggestions.

The Vice-Chair (Mrs. Laura Albanese): Thank you very much for appearing before the committee this afternoon. Now I will turn it over to the official opposition.

Mr. Toby Barrett: Thank you to Community Living for presenting.

You make the case that we need to address the issue of poverty amongst a group of people. Seventy-three per cent live below the poverty line, and you make the point that there has to be the annual cost-of-living increase for 2010.

You are going to be part of the ODSP review, the income support review, and you make three points. You wish to address disincentives to employment. How is that going? I know there are a number of excellent employers that bend over backwards to bring people in, and after a while they find out it works pretty well. How is it going? Are we getting more employers?

Mr. Gordon Kyle: A great deal of work can still be done. We've had a long, long history of working with employers in the province through Community Living, back to our early days of sheltered employment and then through the mid-1980s and on in working to support people into regular employment where they could begin to earn regular wages. There has been positive work in that area, but just so much more needs to be done to make investments on that side of the equation. We've focused our resources on the social assistance side and making sure people have income supports without

making more substantive investments in really assisting people to get out into regular employment. So there's a lot more that needs to be done in that area.

Mr. Toby Barrett: Or being on social assistance but still having that part-time job.

Mr. Gordon Kyle: Absolutely.

Mr. Toby Barrett: That's what I'm talking about.

Mr. Gordon Kyle: We think the income support is going to be an ongoing support need that people have.

Mr. Toby Barrett: Sure, for many people, yes.

Mr. Gordon Kyle: Clearly, people who wish to and have the skills to do so really do want to get to work.

Mr. Toby Barrett: Secondly, you wish to better enable ODSP recipients to keep more of what they earn. So that would be just kind of raising the bar as far as what's in their bank account? Or how—

Mr. Gordon Kyle: As people understand the system now, there is a clawback system by which, as you earn income, you will lose a portion of your ODSP. We understand at some point that that's a fairly standard practice within any income support system, but we think that really needs to be looked at again to create a situation by which people really feel it is worth going out to work and not jeopardizing their income.

In particular, the issue of the additional health benefits that come along with ODSP is a very critical one for people, and some improvements have been made on this of late, but more can still be done. It really should be that it's worthwhile to go to work, and that's what we want to see.

Mr. Toby Barrett: Yeah, like everybody else. That's the goal.

The third point is, again, to enable asset-building strategies. I suppose there's concern in government around fraud. I mean, my view is that you crack down on the fraudsters, not everybody. Weed out the ones who might be abusing the system. But, again, so many people are dependent enough as it is on government, and here we have policies that make them even more dependent because they're not allowed to get ahead.

Mr. Gordon Kyle: Critical ones lie in housing. As appreciated as it is—the system of support that we've had in creating community organizations that provide housing to people—we could do a whole lot more. Many of us in our society have a significant amount of our investment in the homes that we own. There could be more opportunity for people to have home ownership and build that stability over time.

The RDSP, which was put in at the federal level—and the provincial government has supported it by not clawing back ODSP for those investments—is a good step forward in allowing people to put some money aside, and more needs to be done. There are issues around people not being able to access all of the banking systems because of issues of legal capacity and their ability to actually go and speak for themselves and make investments in the banking system.

Mr. Toby Barrett: You'll be presenting this to the review?

Mr. Gordon Kyle: I think the most important thing on the review of social assistance hasn't so much to do with upping how much you get in social assistance, but really making sure, like the rest of us in society, that we have opportunities to work, opportunities to invest, opportunities to develop greater self-sufficiency, and, as you point out, to make sure that behind that there's a safety net of social assistance that remains viable and intact for people.

Mr. Toby Barrett: Yes. Great.

The Vice-Chair (Mrs. Laura Albanese): Thank you for being here this afternoon, once again.

That concludes our hearings here in Niagara Falls. I would like to remind committee members and support staff that the bus will be leaving shortly after 4 p.m., so be ready at 4:05 p.m. at the front entrance. Thank you.

This meeting is adjourned.

The committee adjourned at 1546.

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