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Lundi 15 décembre 2008

Standing Committee on Finance and Economic Affairs

Comité permanent des finances et des affaires économiques

Pre-budget consultations

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Monday 15 December 2008

Lundi 15 décembre 2008

The committee met at 0900 in the Fallsview Hilton, Niagara Falls.

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. We are pleased to start our week off in Niagara Falls.

PRE-BUDGET CONSULTATIONS

NIAGARA SOCIAL ASSISTANCE REFORM COMMITTEE NETWORK

The Chair (Mr. Pat Hoy): I would call our first presenter to come forward: the Niagara Social Assistance Reform Committee Network.

Good morning. You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would just ask you to state your name for the purposes of our recording Hansard.

Ms. Gracia Janes: My name is Gracia Janes.

The Niagara Social Assistance Reform Committee Network is comprised of several front-line agencies, organizations and individuals from across Niagara, such as Oak Centre in Welland, Project SHARE in Niagara Falls, the St. Catharines and District Council of Women and Start Me Up Niagara in St. Catharines. Our network was formed in 1988 to monitor and support the progressive social welfare reforms of Judge George Thomson's Social Assistance Review commission which were introduced by the Liberal government of David Peterson, continued by the NDP government in the early 1990s, abruptly halted by the Conservative government in the spring of 1996, and still struggling to make headway today.

Now, however, with the release of the government's poverty reduction plan, Breaking the Cycle: Ontario's Poverty Reduction Strategy, there may be a chance, with hard work by the Minister of Community and Social Services and, very crucially, significant social investments in the spring budget, for a turnaround in public and government attitudes and in the government's commitment to the kind of society envisioned in Judge Thomson's Transitions report that "all people in Ontario are entitled to an equal assurance of life opportunities in a society that is based on fairness, shared responsibility, and personal dignity for all."

The province is to be commended for its intent to legislate a poverty reduction strategy and the initial ambitious target of reducing family and child poverty by 25% in five years, but also its plans to invest in a community opportunity fund, for stable funding for rent banks and social housing infrastructure and repairs, to make fairer welfare rules and enhance employment standards enforcements, and to remove RGI and OSAP barriers to financial independence.

We urge the government of Ontario to act immediately, inclusively and substantively to meet its initial targets and to forge well past them as quickly as possible, helped on by provincial budgets, the first being that of spring 2009.

This is particularly urgent for single employable persons, marginalized communities, persons struggling with mental health challenges or disabilities, the homeless and those living in substandard housing, isolated rural residents in need, parents without adequate child care and for the thousands of Ontarians who stand to lose their jobs, homes and even family cohesion in the turbulent economic crisis we now face.

We haven't time to hold back on provincial changes and investments for another round of lengthy consultations. The SARC Network reminds the committee that it has been 12 years since the initial deep welfare cuts were made. Until very recently, promised action has been excruciatingly slow in unfolding; for example, the Liberals' 2003 promise to stop its clawback of the national child benefit supplement from social assistance recipients, which is just happening now.

Since 2003, there have been at least two lengthy consultations on welfare reform and, despite some progressive welfare rule changes, some small incremental increases in welfare rates and the minimum wage, a flow-through of the NCBS percentage increases, the new Ontario child benefit and, finally, a halt to the NCBS clawback, the end result to date has been negligible in the lives of those who need help the most. They will continue to struggle to pay the rent and feed the kids properly and will rely on food banks, community goodwill and hard-pressed service agencies.

In fact, over 12 years, mainly in good economic times, we have not caught up with the 21.6% cuts of 1996 and the at least 28% increase in the cost of living. Today, hundreds of thousands of persons receiving assistance, 40% of whom are children, are barely subsisting and are on a downward economic spiral.

We draw the committee's attention to the following shocking facts:

While social assistance rates have increased since 2003, they still have not reached 1992 levels. Between 1992 and 2007, the National Council of Welfare calculates that a lone parent's welfare in Ontario declined by $5,500, or 25%, from $21,931, and a couple with two children lost 28%, or $8,150. A fair portion of this loss has been the provincial clawback of the national child benefit supplement, which some provinces did not claw back.

Extremely low welfare rates leave a single employable person $101.49 behind each month in Niagara. There has been a dearth of investment in new affordable housing, supportive housing, community health services and agencies, child care and other employment support programs. In Niagara we still have the same number of people waiting for housing as we did years ago; it just seems to stay—and actually it's increasing now.

There is a lingering belief, even now, that people receiving assistance don't wish to work and that to provide adequate welfare rates would be a further disincentive. It is also felt by some politicians and the public that one must break the cycle of poverty—despite the fact that the average length of time people receive welfare, in Niagara at least, is 13 months—thus implying that all people receiving assistance are in some type of addictive state of being rather than struggling for survival. A great number are in this situation because of circumstances much like what we will be seeing because of the recent economic downturn: lost job, increased debt, lost home, lost partner, or ill health. In Niagara this has shown up in recent caseload increases: In October the case-load soared 16%.

The Niagara SARC Network cannot speak too strongly in favour of investments in social welfare. This may appear to be an impossible task, given the abysmal state of the economy; however, a very wide range and diversity of economists have stated that this is the very time one wants to invest in people and their needs as this money does not fly to tax havens but straight to local economies. Until very recently the government has failed to act expeditiously in good times and now, with the threat of even more people falling upon tough times, action is unavoidable and could well provide the stimulus needed to help in the extreme economic downturn.

We urge this committee to recommend that the government invest not just in the programs that have already been announced by the Ministry of Community and Social Services in this plan or earlier, but also to make substantive investments as supported by the 25 in 5 Network, the ODSP Action Coalition, the SARC Network and others, such as:

—a $100-a-month food supplement in 2009 to alleviate chronic cycles of hunger experienced by adults receiving social assistance;

—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;

—adequate core funding provided directly to child care centres and an improvement in the wages and benefits of child care workers, as well as a development of a public investment plan to expand non-profit child care programs;

—dental, drug and vision coverage to low-income workers;

—further increases in social assistance rates, tied to the rate of inflation, in order to pull people above the low-income cut-off rate, as Newfoundland has managed to do despite not having targets. They're moving towards adequacy at this point in Newfoundland;

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

—investments in mental health services for youth and 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;

—initial and ongoing substantive catch-up investments in affordable housing of 8,000 units per year over the next several years;

—multi-year investments in public transit, which are particularly needed in areas such as Niagara, where many communities are rural and getting to public services, medical appointments, work, community events and friends and family is hard and sometimes impossible to access for those on low income;

—an allowance for the retention of earned income for those in receipt of social assistance until a person is able to be truly independent;

—an investment in people with disabilities. Too many people with disabilities live below the poverty lines and investments need to be significant, made early on in the government strategy and include not just families and children, but also singles and couples.

These investments will be worthwhile over the long term through increased employment—and taxes—as well as a better-educated, healthier public and monies flowing directly into communities for food, housing and other goods that most people would find intolerable to do without; for example: a phone, a car that can get one to work, to medical appointments and to see friends and relatives. We note that in Quebec the low child care rates of $7 per day have allowed many parents to re-enter the work force. The taxes they pay go a long way towards covering the cost of the program.

Finally, as you consider the spring's provincial budget priorities, consider these questions:

How much income per month would you need, as a single employable, to rent, eat, and find a job? Compare this with the meagre sum allowed.

How is the income from social assistance and ODSP spent, and who benefits from it?

0910

How much is the province forgoing in taxable income and economic potential when increasing numbers of Ontarians are jobless or working at less-than-poverty wages?

How can a child learn properly, or be part of the community, if he or she goes to school hungry; has witnessed his or her family being evicted; is constantly tired due to cramped sleeping quarters; knows and is ashamed that he or she can't invite friends home due to home conditions; is not able to afford a class trip; and (f) is teased for being poor?

Could you find or keep a job if you didn't have a phone, had a front tooth missing, lacked public transit and had no child care?

How can the government help in changing attitudes to those needing social assistance?

Shouldn't the province invest in its future now to ameliorate immediate, and avoid long-term, costs of poverty, physical and mental ill health, poor education, joblessness and reduced community investments on food, housing and taxes? Why wait?

And if you would pay attention to the background regarding Niagara, because this is a very special place. We've been on a downward trend for awhile now.

In December 2007, there were 5,558 children receiving social assistance through Ontario Works—

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

Ms. Gracia Janes: Good; I'll get through—and in 2008, 15,000 individuals, of which one half are children, received social assistance. The number of persons losing jobs in Niagara has steadily escalated in the past few years, one of the latest being John Deere, and there's been another one since; there's a whole list there. At John Deere they lost 800 jobs.

Niagara had an increased number of bankruptcies filed from 2007 to 2008, up by 11.5%.

GM employment has fallen from a high of about 11,000 in 1981 to less than 2,700 in 2008. Most recently, unemployment in Niagara jumped to 8.2% in November, which is well above the provincial average of 6.5%.

The Chair (Mr. Pat Hoy): This round of questions goes to the official opposition.

Mr. Ted Arnott: Thank you very much, Ms. Janes, for your presentation. Particularly the local situation that you've described is very helpful because, if we don't travel as a standing committee, we don't hear that. We don't hear what's happening in some of the local communities without this opportunity to hear directly from you, so thank you for that.

You focused on the need for adequate income security for families in this time of profound economic challenge or recession. Certainly I agree that the government needs to ensure that its safety net programs are there for families who are facing these kinds of challenges, as we all are. I wanted to ask you, though, about job training, because that's an important component. If people can be trained for new jobs when the economy recovers, obviously the government is doing the right thing in that respect too. Do you think that the job training programs that are available in Niagara region are adequate right now, and do you see any areas where you could suggest improvement?

Ms. Gracia Janes: It's not my area of expertise—I wish I had my employment help person who works for our network here—but we have a number of agencies working on this, and I think that they have been working very hard, in difficult circumstances. I think they've had some success. But when you have a community that is continually losing jobs and you have people in their 50s being laid off who thought they could make it through to proper retirement, it becomes difficult. Then you have people competing with each other for jobs: recent graduates competing with people who are being laid off at 45 or 55. It's been a difficult situation for 40 years. When I moved in, our lawyer told us it was a depressed area that was losing jobs. It just has continued and continued. We built social service jobs. We've got jobs at Brock and at the region, those kinds of jobs, but we also have a huge number of jobs in the service sector, which is mainly hotel workers and people working in tourism, and those are sometimes seasonal jobs or jobs that don't pay very good wages.

Mr. Ted Arnott: I'd like to share the balance of my time with Mr. Prue, with your indulgence, Mr. Chairman.

The Chair (Mr. Pat Hoy): Mr. Prue.

Mr. Michael Prue: Surely. You've made a couple of very strong recommendations, including $100 extra per month, per person, for food. Do you think that would be adequate for nutritious food when in fact the bulk of the money is eaten up by the rent?

Ms. Gracia Janes: In places like Toronto it certainly wouldn't be enough. My suggestions are cumulative. That one comes from the 25 in 5 Network, and Marvin Novick, or Peter Clutterbuck in Toronto, may or may not be able to speak to that recommendation—but immediately. People are going hungry. This would be an extra $100 a month, and they need that extra $100 a month to feed themselves. But, yes, they also need more than that. People who are working need an increased minimum wage, and people working part-time who are able to receive welfare need to be allowed to keep some of their money. But we are so far behind that I can't see that $100 would be enough.

Mr. Michael Prue: There has been some praise of the government for acting on children, but some criticism that they mostly left everyone else out: single, employable people; people with disabilities; aboriginal communities—the list goes on. How do you feel about this? Has the government done the right thing by targeting only children, or should they have looked at the broader number of people who are poor?

Ms. Gracia Janes: You may have noticed that I slipped the word "family" in.

Mr. Michael Prue: Yes.

Ms. Gracia Jones: You're right, it is targeted at children—and children belong in families.

Up until, I think, the last welfare increase in August—the numbers were shifted when we got the child tax benefit and the flow-through of the federal money. The welfare rate was lowered. I've felt it was sort of smoke and mirrors. I think it's very important that you keep in mind that in 1992, we were way ahead of where we are now.

Targeting children is not going to go anywhere if the parents aren't fed. It's the whole family unit that counts. It's the amount of money the family gets that counts.

The targeting of children is always a very emotional thing. People worry about the children. But if a child is in a family, and the family is evicted, the child goes with them. The child suffers too.

Even with helping the children, you're not getting up to the rate that you were at in 1992. So, to me, we've just been taking too long. We have to act expeditiously before the next lot of people begin to have to receive social assistance.

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

RETAIL COUNCIL OF CANADA

The Chair (Mr. Pat Hoy): Now I call on the Retail Council of Canada to come forward, please. Good morning. You have 10 minutes for your presentation. There may be five minutes of questioning. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Gary Rygus: Good morning, and season's greetings. My name is Gary Rygus. I'm the director of government relations, Ontario, for the Retail Council of Canada. On behalf of the Retail Council of Canada's members operating across the province of Ontario, thank you for the opportunity to appear before you today.

The Retail Council of Canada has been the voice of retail since 1963, speaking on behalf of members who operate more than 40,000 storefronts. We represent an industry that touches the daily 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 independent merchants.

Retail is number two in Ontario, with more than 835,000 jobs. Last year, $146 billion in sales were made at retail, representing 85,000 establishments. Ontario sales are up year-to-date, which may be surprising to some of the members of the committee: 5.3% as of September. The average wage rate is $16.66 per hour.

We expect the Ontario economy and retail sales to be flat in 2009. Ontario will be in the bottom third of provinces, along with British Columbia and Alberta. According to the Conference Board of Canada, consumer confidence is at a 26-year low in Canada, which creates challenges for retailers. Job losses are unnerving consumers. The softness is driven by the financial turbulence in the world and the recession enveloping many developed countries. In addition, the manufacturing sector has still not stabilized.

Faced with these challenging and threatening types of activities, fiscal policy must be focused on improving the conditions for economic development. The government must create a positive job-creating environment.

We offer three recommendations.

0920

First, the government must find ways to reduce taxes on companies; for example, raise the employer health tax exemption threshold from $400,000 to $1 million, delay the wage increase scheduled for March 31, 2009, for minimum wage, and reduce WSIB premiums by making the WSIB more accountable and efficient.

Second, in recognition of companies' need to invest in improving their competitiveness, the government should eliminate the capital tax for all sectors commencing January 1, 2009. I understand that it is supposed to be doing so on July 1, 2010, but we feel strongly that this move should be accelerated.

Third, harmonize the provincial sales tax with the GST. We recognize that this last item is a controversial recommendation, but this one step would give all Ontario businesses a significant increase in their competitiveness. This is not a transfer of tax from companies to individuals. The tax is remitted by companies; it then cascades through the supply chain, adding tax on tax. These are all built into the prices that consumers pay and into export prices. All harmonization does is make it obvious to citizens how much tax they actually pay when they make purchases.

If the government decides it cannot persuade Ontarians of the need for this support for jobs and industry, we would suggest the harmonization of the sales tax goods base, much as was done in Manitoba a few years ago. If the government does not proceed with full harmonization, merchants must have the freedom to show prices exclusive of tax. Otherwise, the benefits of harmonization for retailers and consumers are lost, the domestic market is broken into fragments, and US retailers and websites are handed a marketing advantage.

One example of goods-based matching would be a change in the tax status of bottled water. We are advocating that it be the same as the GST base. This would reduce confusion and frustration when customers buy these products.

We recommend that 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 sales tax receipts.

Another issue that is confronting our members is credit card fees. They are a growing cost for businesses. Approximately $4.5 billion was paid last year by businesses to credit card companies. We encourage the Ontario government to write to the federal finance minister pledging Ontario's support to examine what can be done to reduce credit card costs. Now, you may say to me, "Well, this isn't something that impacts on Ontario." I would suggest to you that it does. It's an Ontario government challenge as well because government accepts credit cards for such activities as the LCBO, ServiceOntario, your MUSH transfer partners, tuition payments, and charitable donations. All accept credit card payments, and roughly 2% of the transaction is taken off the top and submitted to the credit card companies.

My last item would be to fast-track the Ontario 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?" Quantify the changes. Include sunset provisions for legislation. This last request would require a large change in approach as far as mindset in establishing legislation.

On behalf of the Retail Council of Canada, I thank you for your time. May you and your families have a merry Christmas and a happy new year. With only 10 days left before Christmas, please shop, shop and shop. Thank you.

The Chair (Mr. Pat Hoy): Thank you for the presentation. I suspect many members of the committee will start shopping this coming Saturday.

Now we'll go to Mr. Prue of the NDP.

Mr. Michael Prue: Thank you very much. While I was listening intently to you, I skipped to the back, to the appendix, because I found some things here that go against the grain of almost every person who has been before this finance committee, and certainly against the grain of the person who was in front of you giving a deputation.

You're asking that the minimum wage be frozen. The deputant before you asked that it be increased so that it's a living wage for poor people. Why do you want poor people to not have more money? Wouldn't they spend it in your retail shops if they had more money?

Mr. Gary Rygus: Yes, they would. Unfortunately, businesses only have a fixed amount of money to allocate towards wages. If you increase the cost of those wages, what will happen is less people will be hired and the existing people who are currently working will have less hours to work. I'm not sure that in this troubling economic environment that's something that we want to do. We're asking for the wage increase to be delayed until better economic times prevail.

Mr. Michael Prue: Well, again, back at this—some businesses in Toronto have been known to hand out the address of the local food bank at the same time they're hiring people. Do you think that that's a kind of economy that we would want or is good for retail in the long term?

Mr. Gary Rygus: No, but I think that during this economy where thousands of people are losing their jobs, you want to create an environment where job creation is, in fact, a priority and where people can gain a leg up in providing positive input into the economy.

Mr. Michael Prue: We had the opportunity, as a committee, to hear three eminent and distinguished economists come before us, and all three of them recommended stimulating the economy in this economic downturn, including running a deficit. You are recommending the opposite. Why is that?

Mr. Gary Rygus: I am saying that you should manage your expectations appropriately so that you don't create undue expectations. I believe we've supported the infrastructure spending that's going on by this government and, in fact, that's what's going to create jobs. We've said that if you're going to have a deficit, it has got to be specifically stated but managed appropriately.

For example, when the government said that they were going to freeze MPP wages at 1.5%, some of us were concerned that might have been a half measure. Perhaps we could have a been a little bolder and shown more leadership by saying, "MPPs should take a pay cut," to support what's going on in the economy as a whole. Freezing salaries at the senior level would have been more of a bolder statement than minimizing it to 1.5%, especially in view of what's going on in today's economy.

Mr. Michael Prue: Let me ask: In today's economy, are workers generally taking pay cuts? I haven't seen too many. I have seen the odd one; I've seen some discussions with CAW and the Big Three, the Detroit Three, talking about potential cuts, but I haven't seen that actually occur, nor have I seen anyone else taking pay cuts. Who else is taking pay cuts?

Mr. Gary Rygus: The largest pay cuts would be the people who are losing their jobs in the manufacturing sector. I'm suggesting—

Mr. Michael Prue: Well, of course. Okay. But of those who are still working, who's taking pay cuts?

Mr. Gary Rygus: I'm suggesting to you that if it becomes a point where jobs will be lost, you may want to take that as an interim step before people lose their jobs. That's what's happening in the real world right now.

Mr. Michael Prue: In the real world, how many job losses are there in the retail sector?

Mr. Gary Rygus: To date?

Mr. Michael Prue: You said people were spending more; jobs and the economy—retail up until September was actually improving. You started off that way, so how many retail jobs are being lost? And if so, why, when the economy is actually better?

Mr. Gary Rygus: The primary category for spending in the economy is consumer confidence. People spend money when they have jobs and when they're confident that they're going to maintain those jobs. If, in fact, they're unsure as to whether they're going to maintain their jobs, they will close their purses and wallets and not spend money other than for the nondiscretionary items. What we're saying needs to happen is that you have to improve consumer confidence, and that is by providing an environment where job creation is the motto of the day.

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

Mr. Gary Rygus: Thank you. Have a good day.

ST. CATHARINES AND DISTRICT LABOUR COUNCIL

The Chair (Mr. Pat Hoy): Now I call on the St. Catharines and District Labour Council to come forward, please. You have 10 minutes for your presentation. There may be up to five minutes of questioning. Just state your name for the purposes of our recording Hansard.

Mr. Larry Savage: Larry Savage.

The Chair (Mr. Pat Hoy): You can begin.

Mr. Larry Savage: The St. Catharines and District Labour Council represents roughly 10,000 union members who belong to more than a dozen affiliated local unions in St. Catharines, Thorold, Niagara-on-the-Lake, Lincoln, West Lincoln and Grimsby. Our membership is very diverse. The labour council brings together workers in virtually every sector of the economy in order to promote issues important to working people in the St. Catharines area. On behalf of the labour council, I am pleased to be making this pre-budget submission to the committee.

0930

There is little question that the global economic crisis is exacerbating the crisis in Ontario's manufacturing sector. In the St. Catharines area, the unemployment rate currently sits at 8.2%, which is well above the provincial average. Housing and vehicle sales are down; union density rates are down; pensions and long-term savings plans are being eroded.

The adverse impact of these economic realities on government revenues is well known. As organized labour has lost ground, workers in the Niagara region have also seen their economic fortunes decline. Much of this decline has been caused by the illogic of an economic system and labour market where employers lay off workers and attempt to drive down the wages of workers who manage to keep their jobs. Full-time, unionized, well-paying jobs with benefits are being replaced by non-standard part-time jobs and low-paid full-time jobs without benefits. This kind of approach to the labour market, favoured by many employer organizations, has the effect of undercutting the overall demand in the economy, creating a downward spiral for workers, businesses and communities.

The current crisis has demonstrated the importance of swift and significant government intervention. The Ontario government cannot afford to wait on the federal government, nor can the province bank on any free-rider effect based on any economic stimulus package undertaken by the government of the United States.

Although the Ontario government does not control all of the economic levers needed to radically transform our economic system, the province has historically played an incredibly significant role as Canada's economic engine. In the same way that the province has acted as an agent of neo-liberal globalization through its support for free trade and other pro-business measures, the provincial state can also be used as a tool for social progress.

Although economic stimulus is an important ingredient in improving the province's economic fortunes, it does not replace the need for a substantive industrial strategy. The absence of such a strategy in Ontario has led to a situation wherein business leaders have worked closely with the province to ensure that any long-term public policy decisions do not impede on any short-term private economic interests. Closing plants and shipping equipment to China is not the best response to short-term problems, no matter how large they are. Economic planning, and an industrial policy, more specifically, are necessary if only to retain the productive capacity of the province's manufacturing infrastructure, which could be converted in the future to sustain what is commonly referred to as green manufacturing: the manufacturing of solar panels and wind turbines, for example.

The absence of an industrial strategy also means that organized labour is normally left out in the cold when it comes to meaningful consultation with the state and organized business interests. When labour is consulted, it is normally called upon to rescue business and government from economic crises caused by corporate greed, and the illogic of the market economy more generally. In the end, the illusion of labour-management co-operation and labour-initiated lobbying for corporate subsidies is a doomed approach for union members. The severity of the current economic crisis highlights the fact that more radical approaches are needed.

Although it has become politically fashionable in recent years for politicians to promise voters that government will not run budget deficits, this is an incredibly reckless approach to dealing with economic problems, especially during a recession. We know that in recessions, reduced economic activity results in reduced government revenues, and more people have to rely on government assistance to help them through hard times. As a result, governments, despite any irresponsible campaign commitments, must spend more than they take in.

The labour council believes that increased spending should be directed toward making investments that will prepare Ontario for the recovery by investing in people through the maintenance and expansion of all current and planned spending on government services; through a substantial down payment on the government's poverty reduction strategy; through new investments in affordable housing and increased benefits for low-income Ontarians; and through a renewed commitment to public ownership and public investment.

Better public services and community-sustaining public sector jobs are key to reversing the province's economic outlook. The question is not, "Do we need economic stimulus?" but rather, "What kind of economic stimulus do we need?" The labour council clearly prefers public investment over tax cuts because investment in social needs, housing, child care, health care, education, and universal social programs makes us less dependent on the market economy.

A focus on public investment also allows government to develop services and in turn provide economic stimulus in smaller urban centres in the province, thus ensuring that economic development is spread in a more equitable manner.

Investing in public transit systems, clean water systems, and other infrastructure projects should be an integral part of any economic stimulus package. Research conducted for the Federation of Canadian Municipalities shows that in the first full year of implementation, $1 billion in infrastructure investment would create 11,500 jobs. Increasing investment in public transit also improves air quality and, in turn, public health.

Similarly, investment in affordable housing is key to improving the health of Ontario's working poor, as part of a larger poverty reduction strategy. Every dollar invested in housing creates $2 in additional economic activity and induces as much as seven additional dollars in economic activity. If these investments are made wisely, they can greatly increase environmental efficiencies, moving us to crucial long-term conservation goals. These infrastructure projects should be accompanied by a provincially mandated buy-Canadian policy, as a way of protecting Ontario's industrial base.

Lastly, improved labour rights and standards for workers in Ontario is an extremely cost-effective way to combat poverty and stimulate the economy. Providing for access to card-based union certification for workers across all sectors is a crucial step. The introduction of mandatory certification votes under the Harris government has decreased the number of applications for certification that occur each year, the share of those applications that are successful, and the number of employees unionizing in the province. Requiring both a majority of members to sign union cards and a mandatory vote increases the number of unfair-labour-practice complaints and increases the effectiveness of unfair labour practices in making the attempt to join a union unsuccessful. Research shows that employers' unfair labour practices are twice as effective at reducing the likelihood of certification under a compulsory-vote system as under a card-based system. Mandatory votes also make it more difficult for vulnerable workers to unionize, because workers are less likely to have successful certification applications in the service sector or if they are part-time workers.

We also know that precarious employment is more likely to occur in smaller workplaces, in the service sector and where there are part-time workers. These are the sectors where women's employment is concentrated and where a large portion of workers earn the minimum wage. An immediate boost in the minimum wage to $10 per hour would also help combat poverty and help boost the economy by putting more money into the pockets of the working poor. Those who oppose raising the minimum wage often argue that higher minimum wages will result in job losses, but empirical evidence does not support this claim. In fact, the increase in the purchasing power of the province's lower-paid workers is likely to have the effect of improving the local economy.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government.

Mr. Charles Sousa: Thank you, Mr. Savage, for attending and for your insightful presentation. I appreciate some of the comments you've made, and I recognize the matter as it relates to safeguarding the interests of the most vulnerable, as well as our union members and those in labour. You've made a distinction between labour and business and described the illogical system of the marketplace.

As you know, the government has gone out of its way to try invest in infrastructure in a big way, and I think you agree that's a good thing to do, because it's one area where we can control and stimulate economic activity. We're certainly going out of our way to try to invest more in skills and knowledge so that we can have a better transition for those who are moving forward or going through a transitional period.

We're also making some strategic cuts in the capital tax system in order to enable those businesses that are interested in coming into Ontario or staying here to be stimulated and have an incentive to invest in Ontario. Through our Ideas for the Future Act, we're also trying to encourage more innovation and more differences in the types of manufacturing and the types of businesses that do come to Ontario.

Another big part of the strategy—and you did talk about how we need more of an industrial strategy going forward—is the whole notion of partnership, be it with the feds, but more importantly, be it with labour and with business. My question to you—and I may share this with Mike Colle if he's here—is to talk about what you see as necessary for government. We can't act alone. We need to act in co-operation with labour and with business. What do you feel we should do in regard to inspiring business to stay in Ontario?

Mr. Larry Savage: That's a good question. We could be here for hours. Let me start by telling you what you shouldn't do.

The first is that the Ontario government needs to stop partnering with business in terms of public-private partnerships, which have proven to be a disaster all over the world, including in Ontario. So when the government talks about making infrastructure investments, those infrastructure investments need to be 100% public. Public-private partnerships undermine a public institutions and they undermine our ability to control what kind of society we want in the future.

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In terms of consultation with labour and business, I said in the presentation that I feel that organized labour has very much been left out in the cold in the last few decades in Ontario politics. To bring it back into the room in an ad hoc manner isn't going to work. You need an industrial strategy, and I'm not talking about some grand corporatist scheme. There needs to be more dialogue than there has been in the past, but there also has to be a provision for real decision-making power. That's not there and, quite frankly, it's never been there in Ontario and it's something we'll need in the future.

Your question about strategic tax cuts: I don't think they're going to work. We talk about these bailout strategies. Unless these bailout strategies come attached with commitments that jobs will be kept, that there will be no CEO bonuses—in the auto sector, for example, if we talk about a shift to green cars, unless those commitments are made, then we shouldn't be involved in those sorts of deals. They don't serve communities; they certainly don't serve the interests of working people.

The Chair (Mr. Pat Hoy): Mr. Colle, we have less than a minute.

Mr. Mike Colle: I hope you don't mind if I call you Larry. An interesting term you used here, if you could explain it to me: "neo-liberal globalization." What is that?

Mr. Larry Savage: Neo-liberal globalization of course is a political phenomenon and an economic phenomenon, where governments and businesses have supported right-wing public policy prescriptions: lower taxes; less regulation on business; free trade deals.

In Ontario, you'll remember that in 1987 the Peterson government ran against free trade and won a huge majority government, took power and did very little to oppose free trade once in power. The Rae government, while it was in office, campaigned against NAFTA. Again, during its time in government it did very little to oppose the North American free trade agreement.

Mr. Mike Colle: So you would close down the free trade agreement that exists between Canada, Mexico and the United States?

Mr. Larry Savage: I think it's very clear that the free trade agreements need to be renegotiated. You'll even hear Barack Obama saying that. We definitely need trade agreements to be amended. The labour movement talks about fair trade, not free trade.

Mr. Mike Colle: So you believe in putting up borders at this time against the free flow of trade between the United States and Canada?

Mr. Larry Savage: I believe that you need labour and environmental standards in trade agreements. I wish the Peterson government and the Rae government had upheld their opposition to these free trade agreements—

Mr. Mike Colle: And how about with Mexico?

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

CAMPAIGN FOR ADEQUATE WELFARE AND DISABILITY BENEFITS

The Chair (Mr. Pat Hoy): I now call on the Campaign for Adequate Welfare and Disability Benefits to come forward, please. Good morning. You have 10 minutes for your presentation. If you would just identify yourself for the purposes of our recording Hansard, you can begin.

Ms. Lynn Aquin: Thank you. My name is Lynn Aquin. I'm here representing the Campaign for Adequate Welfare and Disability Benefits in Hamilton.

The Campaign represents over 100,000 people living in poverty in Hamilton and over 1.5 million in Ontario. We are intelligent, hard-working, courageous voters and we have the same hopes and dreams for our lives and the lives of our children as anyone else.

Most of us have held good jobs, have had homes, paid taxes and have been able to carry on a normal life. We do not want to be in poverty. When we are affected by illness or disability, the death of a spouse, by unemployment or are paid low wages for our work, we ask that the system, which we have helped to establish, be there to support us.

We feel that the highest priority for the provincial government is to commit to the provision of a living income for all of its citizens. People who have to struggle daily just to survive—single mothers, unattached men and women, the elderly, those with disabilities—all need help to make the transition to the kind of steady employment that provides a life of dignity and fulfillment, or to have a living income that will assure a life of dignity if they are not able to work.

Minister Matthews stated in the 2008 poverty reduction strategy that the social assistance rates were under the mandate of this ministry. We urge you to immediately raise the social assistance rates, which at present, for most, are at 50% below the poverty line, index them to inflation and establish a social assistance rates board that can determine the level of assistance needed in each community to provide the basic human necessities: adequate housing, nutritious food, transportation and utilities, including a phone.

The 2008 poverty reduction strategy has committed to raising 25% of children out of poverty by 2013 and 50% by 2018. But what about the others? Raising social assistance rates and raising the minimum wage will immediately enable all people to raise their standard of living. By spending the increase in their local communities, businesses will not be lost, more jobs will be created and the current recession will be shorter-lived. Everyone will benefit, not just those currently in poverty.

At the present time, the government is depending on charities to do its work for it. Parents will never refuse help for their children, but in order to break the cycle of poverty, those children need to have, as role models, parents who work every day, if they are able, to provide a quality life for their families with that job or with a living income. Since there are fewer and fewer full-time jobs that pay a living wage, people who do find work should be able to keep their wages without losing their benefits until they are out of poverty.

One of the keys to having more people in the workforce is quality daycare for their children. This is an essential element that must be addressed in the budget. Without the ability to have reliable, safe daycare at all hours of the day or night, men and women cannot even think about starting back to work or attend retraining or upgrading programs.

People who are on social assistance because they have recently lost their jobs may need retraining; people who have grown up on social assistance often need much more. They may have serious health and self-esteem problems. Children living in poverty don't do as well in school as their middle-class classmates. Some studies have shown actual changes in the brains of children in poverty. They move more often, losing the ability to make long-term relationships and commitments. The public education system needs to be able to accommodate the learning disabilities and specific needs of children and adults in poverty. A system of mentoring and apprenticeship is a very important element in enabling children and adults living in poverty to do better in school or access the job market.

I can speak to this in a personal way. One of my sons was born with some learning disabilities. To anyone seeing him, he looks healthy and strong. No one would believe that he has a disability, but he has great difficulty with interpersonal relationships and he's very accident-prone, besides the learning problems. He just can't seem to be able to hold a job or get ahead in life. It's heartbreaking to me that he has to struggle so hard. If he were able to receive a living income which would remove the struggle just to stay alive, he might be able to receive the specific training needed to find a job that he could do. Investing in job creation at all levels, especially looking at green development in the communities, is something that the government should also be investing in to ensure more jobs in the future.

One of the most fundamental basic needs is adequate housing. After water and food, a safe, affordable home is the one thing people must have. Over 4,000 people in Hamilton are on the waiting list for affordable housing. The hardest, most heartbreaking choice that parents can have is between putting food on the table or paying the rent. This government needs to immediately subsidize more housing for those paying more than 30% of their income on housing. Although more housing must be built, in the interim, the places where people are living now can also be subsidized.

Again, my family can illustrate this problem. My daughter, a single mother of three, desperately wanted a better life for her children, so she moved into a better neighbourhood with good schools. However, the rent took up all of her social assistance plus some of her child tax benefit. For over a year, Ontario Works sent her letters, cutting her off from her assistance over and over again because they thought she was lying about the amount of money she was getting. Whenever that happened, she was charged late bank fees and rent tribunal fees, which put her further and further behind in her rent.

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Finally she was forced to move, but she had no place to go. My daughter and grandchildren became homeless. The family was split up, living in different places with family and friends. At last they were high enough, because they were homeless, on the subsidized housing list to qualify for geared-to-income housing. However, the place they live now is in one of the most poverty-stricken neighbourhoods in Hamilton. Can you imagine what this process has done to my daughter's confidence in her ability to take care of her family?

Many studies have shown that the day-to-day stress of not having enough money to provide for themselves and their children causes acute and chronic illness and even death. This kind of stress-related illness puts a great strain on our health care system, disables people from holding a job, raises crime rates and breaks down the fabric of our society by disintegrating the family unit.

My granddaughter Cori, who is 15, wanted to be here today to read a statement, and I would like to read it for her. She had to stay in school today. I'm going to speak in her voice.

"When we were living in that better neighbourhood that my grandmother just spoke about, I made many friends that I hated to lose when we had to move. I wrote a poem about it: 'Away.'

Yesterday I moved away;
good-byes, sad eyes.
I feel so sick,
I want to run away.
I never forget
The day we first met;
all the memories we made.
Never forget me;
I'll never forget you.
I just wish this was a bad dream.
I want to wake up,
But I know I can't;
I know that it's real.
You don't know how I feel,
so alone, so scared.
All I see
are the people close to me
Fading away.
The last thing I saw
was their sad faces.
Yesterday I moved away.

"I hate to be in my new home. Twice now, there have been fights in the building and someone has been hurt. My friend's brother was stabbed, and we all saw the blood in the hall and the elevator. Every weekend, I try to go back to my old neighbourhood to stay with my best friend there. Often, her parents take me places that my mother could never afford to take me, and I feel bad that my sisters don't have the chance to be in a better place too.

"I'm not doing very well in school. It is hard to do my homework because we don't have a computer, and the teachers expect us to do a lot of research on the Internet. I had dreamed of being a veterinarian, but my family could never afford to pay for university, and now I see that I wouldn't be able to handle the courses needed without support. Last spring, I fainted a couple of times in school because I wasn't eating properly. When my mother goes grocery shopping, she locks the food away and rations it out so that it will last the week. We are always a little bit hungry. I can't eat too much at a time anyway. Whenever I do, my stomach gets cramps.

"Some of my friends are depressed; some of the boys are having trouble with the police. Most of us are pretty hopeless about the future.

"My grandmother says that you can decide to make things better for a lot of families. I hope you do."

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

Ms. Aquin: Thank you. In summary, poverty robs us of our health, our hopes and even our potential to be productive citizens. Investing in the reduction or elimination of poverty in these difficult economic times makes good economic sense, as has been shown by some of the countries that have invested in all their people and experienced good economic outcomes. We ask you, therefore, to move swiftly through your budget to implement investments in income supports, jobs that pay living wages, affordable and safe housing, specific education and training geared to the needs of the poor, and early learning and quality child care. Only then can we say that we are moving toward a society which looks after all its people.

We refer you to the campaign's Framework for Reform, which is attached. Article 11 of the United Nations Covenant on Economic, Social and Cultural Rights says, "The states parties to the present covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The states parties will take appropriate steps to ensure the realization of this right."

Our government signed this covenant. You need to take the steps necessary to keep your promise. Thank you.

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

Mr. Ted Arnott: I want to thank you, Ms. Aquin and your colleagues, for joining us today and giving us your ideas and your presentation, especially for sharing Cori's poem and her thoughts with us, because those are the kinds of stories that really touch us in our hearts, as you know, and make us want to redouble our efforts to improve the lives of everybody in Ontario. So thank you for that.

I know your presentation focused on the need for adequate income security for most, if not all, families, and it is their primary concern right now in the vast majority of cases, especially these days. I'm going to ask you again about the issue of job training, because I think there's a real opportunity there for the government to improve its job training programs right now, so that when the economy improves, hopefully next year, those who are looking for work or have lost their jobs can be in a position to upgrade their skills and take advantage of better opportunities that, hopefully, will be there later on in 2009.

Do you have any thoughts that you want to convey about the job training programs that exist in Hamilton and what you'd like to see done to improve them?

Ms. Lynn Aquin: The trouble with the job training programs is that there are some, but people don't know about them a lot. There's not a lot of education of people who are on Ontario Works or ODSP about the jobs; there is some. The trouble with it is that the transportation to the jobs, to look for work, the money needed to dress properly to look for a job, to have that kind of support, is not there. Even when you get up in the morning and you don't have anything to eat and you know you're not going to have anything to eat that day, it's kind of hard to go out and spend the last money you have on bus fare to get to a job that probably is not going to pay you more than minimum wage, which is not going to get you any higher than you are now on OW. So those kinds of disincentives to work are present in the system now, and we have to improve that.

Mr. Ted Arnott: I know that Sophia Aggelonitis has a question, Mr. Chairman. I'd like to yield the rest of my time to her.

The Chair (Mr. Pat Hoy): I want to make a comment about that. We have a rotation agreed upon that we would give five minutes to whoever's time it was this morning. I allowed you to pass off one question because you had only used 60 seconds. A minute ago, Mr. Sousa gave a member of his own party a question. We only had 60 seconds left and it went three minutes. It could become a problem, not knowing how long any one member is going to take for their time and then pass it off.

Mr. Ted Arnott: You've taken about 60 seconds now to say it's a problem.

The Chair (Mr. Pat Hoy): I know, but in the interest—let me further say we were behind by six minutes at one point. So if we're going to be swapping time with other parties, maybe it would be good to let the clerk know so that I can cut the time in half, perhaps, so that we stay on schedule in the interest of who is also in the audience and so that I know you're not passing off a question to someone else, with only 30 seconds left.

Mr. Ted Arnott: Fair enough.

The Chair (Mr. Pat Hoy): In hindsight, perhaps I should not have allowed the other question to be passed to Mr. Prue. I just wanted to explain my rationale for that. If you're going to be swapping time, I'll cut it in half, but let the clerk know that you're about to do that.

So now we'll go to Ms. Aggelonitis.

Ms. Sophia Aggelonitis: Thank you, Chair, and I won't be long.

I just wanted to say, first and foremost, thank you very much for coming. These four fabulous women are from Hamilton and they have been, and continue to be, great advocates in my community. I thank you for being here.

I do have some questions. And because of time, maybe I could just give some time to my very good friend Ursula, if you want to share a little bit of your story with the committee for a couple of minutes.

Ms. Ursula Samuels: I'm a single mother. I'm trying to raise one child and I'm on OW. Sometimes it's very hard figuring out how I should do it, whether I should pay the rent or pay the bills. Recently, the back-to-school and winter clothing allowances have been taken away from us, and it was a big struggle this year getting the kids back into school in September. I had to use up some of my food money, which I don't usually do, so that made it very hard.

Christmas is coming and it's a very hard time for me, even trying to buy a present for my son. It makes me feel really bad at this time of the year because I don't have the money. There are days that my son goes to school and I don't even have lunch, and even school trips—sometimes he can't be there. So I hope this problem could be resolved and we can see some action going on for the new year.

Ms. Sophia Aggelonitis: Thank you, Ursula.

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The Chair (Mr. Pat Hoy): You can make a further comment, because I did take about a minute.

Ms. Josie D'Amico: I just wanted to make a comment with regard to the kind of retraining that is needed. This is one of the things that we've stated there—and you can look in our framework for reform. It states more specifically that there needs to be training and retraining and apprenticeship for people who have been on low income for a long time. That is very different than the kind of training and retraining and apprenticeship that someone who has just come off a job requires, because there are a lot of problems and things that need to be looked at for someone who has been on assistance for a long time.

We are human beings, guys. We're here. These are true stories that you have heard today, so get on with it. We have rights; please remember that. Our economic system, the way it is, does not account for everyone in our system. We cannot let more than 1.5 million people in Ontario and over 100,000 in Hamilton—people are going hungry. I worked in a Third World country, and do you know what? When I told them about the kind of system that we have, they told me that they would rather be poor in a Third World country than here in Canada, and that's a shame. It's a terrible shame that this is happening in our own country.

So please get on with it. You have the power. We have voted you in to make changes in our country. Please do so.

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

ONTARIO HEALTH COALITION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Health Coalition to come forward, please. Good morning. You have 10 minutes for your presentation. There could be five minutes of questioning. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Ms. Natalie Mehra: My name is Natalie Mehra. I'm the director of the Ontario Health Coalition. Thank you for allowing us to come and make a submission today. We've provided a written brief. Because of the time, I'm going to focus my comments on two key issues in the health care sector.

The first one is the funding level provided to hospitals across the province. Currently, we're in a situation of, essentially, planned underfunding for hospital global budgets. This year's increase for hospitals—that's 2008-09—is 2.4%. Next year, it's planned to be reduced to 2.1%. What that means is that the global budgets for hospitals are not increasing at even the rate of inflation. That's not accounting for population growth or other demographic factors such as aging. What that means is that hospitals have no choice but to cut in order to eliminate their deficits. If eliminating deficits remains a requirement for Ontario's hospitals, there is no way to continue to provide services at their current levels, given the projected funding levels next year for Ontario's hospitals.

Currently, there is a major round of restructuring happening at Ontario's hospitals due to this planned underfunding of the global budgets. The hospitals are provided pools of money for specifically targeted procedures; for example, cataracts. Hospitals bid to receive funding for these procedures. If they meet the provincially set price of $474 per eye, they get the funding for those procedures. The LHINs and the ministry have given themselves new powers under the LHINs legislation to order hospital A to stop providing cataract procedures, for example, and hospital B to increase their provision of cataract procedures by X number of procedures. The goal of this is to squeeze the hospitals' global budgets to force further centralization and rationalization of services. So it's kind of like the Harris-era restructuring in hospitals, but that happened at the city level. This time it's happening across the 14 very large LHIN regions in the province. We're seeing, for example, the emergence of one complex continuing care bed program across an entire LHIN that runs from Collingwood in the south to Parry Sound in the north to Algonquin Park, essentially, to Lake Huron—a huge area. Patients and their families and visitors will have to travel further for those services.

The cuts that are happening right now are significant. They're deep. They shouldn't be understated, because we're just on the front edge of the front of hospital cuts now, and they are more significant than projected even a few months ago. So we're looking now at cuts to physiotherapy and chiropody—that's foot care for people with diabetes—and physiotherapy in hospitals across Ontario. We're looking at closures of local emergency rooms, including here in Niagara the potential closure of two entire small and rural hospitals. We're looking at the centralization of birthing services—layoffs in the hundreds. In fact, in three communities alone the layoffs that have been recently announced amount to more than 1,000 full-time-equivalent positions. This is just the first of the slew of hospital layoffs that we're going to see over the next number of months. We expect that number to get much, much higher if the currently budgeted levels for hospitals continue. The cuts are affecting all hospitals, small, medium and large, in every region of the province. This is not a question of hospital efficiency. This is a question of budgeted levels for global budgets for hospitals.

At this point, hospitals have been given a seven-step program for cuts, starting with cuts in privatization of support services, moving to the labs, then moving to clinical services. Many of the hospitals that we see undertaking cuts now are cutting core hospital clinical services. They're not rationalizing support staff even though no hospital can run without those support staff; they're actually cutting local access to core hospital services. The provincial government has not articulated any policy regarding the future of small and rural hospitals. But what's happening in Niagara, with the hospital restructuring proposal here, carries with it very serious implications for the rest of the small and rural hospitals across Ontario. Centralization is of course the antithesis of local access to hospital services in small communities. There needs to be an articulated, clear vision of what services should be provided in small and rural hospitals. There needs to be an articulated vision of how far Ontario's patients will be expected to travel for health care services and how the costs of travel, transportation and other risks that will be downloaded to municipalities and patients will be borne if the province continues with this extreme centralization of hospital services.

The last round of hospital restructuring carried with it several lessons that I think have not been learned. There really has been no proper evaluation of the last round of hospital restructuring except for the Provincial Auditor's reports in 1999 and 2001. In those reports, the auditor found that the restructuring had been estimated to cost $2.1 billion. In the end, it cost $3.9 billion, a cost overrun of $1.8 billion, of which a significant amount of costs were severance and benefits and also new, unforeseen infrastructure costs. To move services from hospital to hospital, to centralize services or to engage in significant hospital cuts costs a fortune; it costs a lot of money to do it. I think we learned the last time, when the government spent literally billions to close down hospital beds and hospitals laid off staff, only to turn around and have to spend hundreds of millions in subsequent years in order to rehire hospital staff and reopen beds, that sometimes the savings from restructuring are not realized. It's a legitimate question whether the savings from the last round of restructuring were ever realized. At the end of the restructuring, Ontario had increased operating spending of hospitals by 10%, but the number of staff in the hospitals had decreased by 10%. Health care in hospitals and everywhere is really very much reliant on human care. It's about the staff. It's about the doctors, nurses and support staff. You really can't provide care without them.

So it's clear that hospital restructuring the last time around redirected funding, but it's not clear that any savings were realized. Fully one half of hospital funding increases through the four years of restructuring went to restructuring costs alone. That's a huge amount of money. That is not projected in any budget figures that we've seen for Ontario's budget, and already we're seeing, in the restructuring plans of the hospitals that are hardest hit by the cuts right now, major restructuring proposals that will entail major capital costs, major severance costs, which are not accounted for and for which we think the long-term savings are extremely dubious. There's other misalignment, and so I'll just give you a few quick examples—there's no clock in here, so I don't know how long I have left.

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

Ms. Natalie Mehra: Okay. So a few quick examples. In Niagara, the St. Catharines hospital is midstream in a capital redevelopment project. It's gone out to tender; the RFP is done; the RFQ is done. Yet the service planning is following, not preceding, the infrastructure planning. That means that the hospital requires a redesign while it's in tender; that's going to cost more money. It's not clear now what the hospital is going to cost in the end. It's also a P3-financed hospital. So far, in Ontario—and I'll just draw your attention to pages 10 and 11, particularly page 11, of our submission. You can see the cost increases for all of the P3 hospitals across Ontario. The government is calling them AFP; they're the same as P3. They're privately financed hospitals.

In North Bay, just a few years ago, the hospital was projected to cost $218 million; this is for capital costs alone, not including equipment, not including services; so it's apples and apples here. When a financial close was reached and the deal was signed, the hospital cost $551 million. That's a $300-million cost overrun on a $200-million project.

In Sault Ste. Marie, the hospital was originally projected to cost $200 million, similar to the North Bay Hospital; it ended at $408 million. That's more than a $200-million cost overrun on a $200-million hospital.

These numbers are government numbers; we have not made them up. We've taken them directly from government memos and correspondence. And it's very similar to the experience which the auditor just pointed out in the Brampton P3 hospital, where costs increased on a $350-million project to $650 million by the end of the deal. That's a $300-million cost overrun on a $350-million project. That money alone is enough to fund Ontario's hospital deficits this year, just for those projects. It's a significant problem.

The other problem is that credit is getting more expensive. The St. Catharines hospital appears to be caught in the credit crunch. Deutsche Bank, which was the financier, has been affected, obviously, by the financial market problems. That hospital appears to be on hold. It's six months late and the tendering to start; it's not clear when it's going to be done.

Other P3 projects are on hold, such as the one in Oakville. We need some clarity from the government about what its procurement policy is going to be, given the increasing costs of capital and given the Provincial Auditor's very significant findings in the P3 hospitals.

The Chair (Mr. Pat Hoy): We're going to have to move to the questioning now.

Ms. Natalie Mehra: We're done? Okay. Thanks.

The Chair (Mr. Pat Hoy): And it will go to Mr. Prue of the NDP.

Mr. Michael Prue: Thank you for your work over the years. I think you were a bit of a voice in the wilderness.

It doesn't seem to me that the government was listening about P3 hospitals, but now the auditor has come down and found exactly what you've been saying all along.

We are in the midst of a number of P3 hospitals being built. Should the government get out of that, if they can, or should we just learn our lesson and make sure that no new hospitals go down this route?

Ms. Natalie Mehra: It's not clear from the projects that are under way, for example, in St. Catharines, how far along they are. As I understand, Deutsche Bank is affected by the credit crunch and it may be that the consortium has to find another financier or they have to go to the second bidder on the list. So it would depend on how far down the road that hospital is as to what the cost-benefit analysis of continuing or going along another path at this point would be. That cost would include the redesign of the hospital that's required by the service changes, or would be required if this hospital restructuring plan, which is deeply flawed, goes ahead.

Across the province, there should be a moratorium placed on the P3 hospitals at this point. The new deals should be audited for value for money, similar to the audit of the Brampton P3 hospital, and there should be public release of the information. There is no full value-for-money documentation available on any of the new deals.

Mr. Michael Prue: In the Legislature, I often hear the Minister of Health and Long-Term Care and the previous one speak in glowing terms—the fact that the hospital was built at all is because it was a P3 hospital, and that the government wouldn't have the financial capability of doing it in the long term. Are there, in your view, sufficient monies within the Ontario government that would allow for long-term building of hospitals, particularly in this economic time?

Ms. Natalie Mehra: What the auditor found in the case of the Brampton P3 hospital was that it was more expensive. The financing alone was $200 million, over the lifetime of the project—$107 million in net present value, in 2004 dollars. It was more expensive to build privately than publicly. So making any question of affordability of P3 is totally spurious. If we can afford to pay for two hospitals in order to get one, surely we can afford to pay for one hospital in order to get one.

Mr. Michael Prue: The chart on page 10 is rather interesting here, about the contrast between the Peterborough hospital, which was done with traditional public procurement, and the Brampton hospital, and the costs of building them. It seems enormous. The Brampton hospital looks like one of the worst deals the government ever made. To be fair, I think it was the previous government that made the deal, and this government continued with it. Is that—

Ms. Natalie Mehra: To clarify, the previous government started the deals. They were never completed prior to the election. When the McGuinty government took office, about six weeks after they were elected they started the process of commercial closing and completion of the deals. So the deals were actually constructed under two governments, both of which have put their stamp on them, have changed the deals, and both of which are responsible for the final product in Brampton.

There's no doubt that if you compare the Peterborough hospital—it has been constructed at almost the identical period of time as the Brampton hospital. It was a 494-bed hospital; it's opening at slightly less than that number of beds. The Brampton hospital was a 608-bed hospital, opening at 476 beds. The total cost for capital is $650 million in the Brampton hospital; $197 million in the Peterborough hospital. That's a difference of between $1 million and $1.5 million per bed in the hospital. So the public procurement of the Peterborough hospital, as the auditor noted in his report, was demonstrably less expensive than the P3. If you look at the Peterborough hospital compared to North Bay and Sault Ste. Marie, you see the same sort of pattern: The difference in capital cost per bed in the hospital is in the range of $1 million. It's extraordinarily more expensive to use the P3 model.

To our knowledge, Infrastructure Ontario and the Ministry of Infrastructure have not compared the risks and the costs in the Peterborough hospital to the slate of P3 projects that have been signed and are being constructed now in Ontario. That would be critically important to do because it shows, under current procurement procedures—with improved project management etc.—what the risks are for cost overruns in a new hospital. The auditor found 5% in Peterborough; in the Brampton P3 deal, they were paying 13% for risk transfer for cost overruns—a significant difference.

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

ONTARIO CHAMBER OF COMMERCE

The Chair (Mr. Pat Hoy): Now I call on the Ontario Chamber of Commerce to come forward, please. Good morning. You have 10 minutes for your presentation; there may be up to five minutes of questioning following that. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Len Crispino: Good morning. My name is Len Crispino. I'm president of the Ontario Chamber of Commerce. I'm very pleased to be here in Niagara.

I want to speak on behalf of our 60,000 members across Ontario. As most of you know, the chamber represents a very diverse group of businesses. We are not single-sector-focused; we are cross-sectoral. We are in every part of this province. We have, actually, chambers in all 160-plus ridings—whatever it is. We have 160 local chambers across Ontario which are present in every one of the government ridings.

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I wanted to make a presentation today that perhaps may be a little bit untypical of a chamber. Normally, we would be here appealing for all sorts of tax reductions and so on. We will be appealing for that, but we want to go a step further and kind of focus on some broader issues which we think need the necessary leadership from government, particularly in the times we're in today.

History, in our minds, shows that bold leadership is needed in times of uncertainty, as we find ourselves in today. Dramatic moves by leaders throughout history have been used to substantially shift fortunes in their jurisdictions and, of course, there are a number of examples from both our country and the United States. We need go no further than the Roosevelt New Deal in the 1930s, Eisenhower's bill, which created interstates in the 1950s, or Kennedy's pursuit of putting a man on the moon. I will not use the usual quotes that have been used in this regard—they're in the package—but all we're trying to demonstrate is that leadership is very much needed in these times. In our members' opinion, Ontario must be focused on economic renewal and business competitiveness.

I really want to focus on a couple of issues in the remaining moments. The first one is infrastructure. Ontario, I think as we all know, is saddled with an infrastructure deficit that numbers in the area of $1 billion, as estimated by government, harming our productivity, the investment attraction of our communities and the ability of our businesses to compete in a cutthroat global environment. We know that highway congestion in the GTA and elsewhere in the province alone costs our economy roughly $2 billion a year. Our infrastructure is in urgent need of modernization. The Association of Municipalities of Ontario argues that about half of that deficit falls under the responsibility of municipalities. Communities are struggling to stretch property tax revenues to pay for programs that they were never designed to fund.

Clearly, the provincial government has a responsibility with this burden. The Ontario business community has thrown its wholehearted support behind many projects in regions throughout the province, as well as the urgent work needed at our border with the United States. These are all worthy projects and they promise to improve our investment potential and provide direct employment for thousands of Ontarians.

Today, as I said at the outset, we need a bold move. We need a signature piece and we need our leaders to show the tenacity required to get that done. One such signature is an infrastructure piece that we've referred to as the Ontario-Quebec high-speed rail link.

Earlier this fall at the Ontario economic summit that was held just a couple of kilometres away from here by the Ontario Chamber of Commerce, we had invited Premier Jean Charest, along with Premier McGuinty, to that meeting. Premier Jean Charest at that point described the rail link as a great project for Canada. He explained that "a little bit of ambition in Canada would not be a bad thing." Not only would a high-speed rail link provide greater connectivity for three of Canada's largest municipalities, or municipal centres—Toronto, Ottawa and Montreal, and the 16 million people who live in the corridor, roughly half of Canada's population—but it would greatly enhance the speed of business and enable us to begin our recovery right here at home.

A high-speed rail link will achieve what conventional rail cannot: Through the speed and efficiency of the connection, communities will have new business development opportunities. The speed and access to these major centres will also bring positive benefits to the surrounding areas and, in fact, to Canada as a whole.

It was with unanimous support that chambers throughout Ontario endorsed a high-speed link at the Canadian chamber meetings held earlier this fall. In fact, the link received endorsement from right across Canada.

Building stronger links with Quebec is a high priority of the provincial government. It's also been a high priority of our chamber. In partnership with the Federation of Quebec Chambers of Commerce, we've been able to identify some of the more baffling obstacles to trade and some of the greater opportunities. In today's economy, it's more important than ever to do what we can to build a strong, competitive business here at home, so we urge you to bring to a quick conclusion the feasibility study that is currently under way for this rail link.

Hand in hand with infrastructure investment, we believe there is a second set of policy recommendations. We must, once and for all, dramatically slash the red tape that continues to impede business. Our survey earlier this month reinforced the businesses' belief that streamlined taxation and regulation would help them get through these economic times. If there was ever a time for bold moves in Ontario, we believe it is that time now. The provincial government has shown leadership in this area with the open-for-business initiative, and we really commend Minister Bryant for seizing on this issue very early on in his mandate.

A third piece that we think is extremely important has to do with taxation, but it's not just lowering taxes; it's about tax reform. We're talking about a single tax policy shift that can deliver multiple results. It will provide much-needed tax relief to municipal governments, increase business productivity, break down an interprovincial trade barrier, increase much-needed foreign-direct investment in Ontario, enable the government to address the poverty agenda by providing relief to low-income Ontarians and provide incentives for the development of green energy. All of these benefits come down to one single tax policy, and that is a made-in-Ontario harmonized sales tax.

The OCC has commissioned a detailed study on the best way to harmonize Ontario's retail sales tax with the GST. Our report, which will be released very early in the new year, already has the support of numerous diverse organizations which include TD Bank, the Institute for Competitiveness and Prosperity at the University of Toronto, the Greater Toronto Electrical Contractors Association, Ontario Trucking Association, the Retail Council of Canada and a host of others. Despite what many will say, we have found a way that sales tax harmonization can be a win for government, for business and for consumers. Furthermore, there is a willingness on the part of the current federal government to support any province that wishes to harmonize its sales tax. We must not squander this opportunity.

Mr. Chairman, I know I have about 30 seconds left. I hope the work we've done on this vital issue also demonstrates that we at the OCC do not believe that the burden of our economy can continue the way it is. We truly believe that Ontario is and can be a magnet for the world. There is far too much negativity in our press currently. We believe that this only leads to a self-fulfilling prophecy. Ontario does have much to offer. Whether people have come here to this country to bring their families, to develop a career or to bring life dreams and aspirations of another kind, Ontario does have much to offer. We believe that the suggestions we have made today can go a long way toward that. Thank you, Mr. Chairman.

The Chair (Mr. Pat Hoy): And thank you. This round of questioning will go to the government. Mr. Sousa.

Mr. Charles Sousa: I will be asking to share this with Sophia Aggelonitis, my colleague, who's also the parliamentary assistant to the Minister of Small Business and past president of the Hamilton Chamber of Commerce.

Mr. Crispino, thank you very much for being here. Congratulations, by the way, on the work you do in your association, especially when it comes to public policy and the initiatives that affect all of us. You guys have done a great job over many years.

As you recognize, we've also taken the initiatives to invest in skills and training and in infrastructure in a big way, trying to do what we can to ease the tax system by retroactively cutting back on capital tax but, more importantly, trying to find ways to foster investment in Ontario in times that have been rather challenging. I also appreciate, by the way—and we share your concerns around the fair share for Ontario.

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Quickly, though, if you had to chose between one priority—investing in infrastructure versus some of the tax reductions that you've proposed—which one would you pick at this point?

Mr. Len Crispino: The typical response from a chamber would be "reduce taxes." We all want lower taxes. We live under unusual circumstances. There has been some movement, as you quite rightly said, with respect to capital tax and also on the BET, which we believe is a major saving to a number of businesses across Ontario. So if we had to choose one, we believe, given the current situation, infrastructure is vitally important; it's a way of rallying people. It's a way, also, of giving people hope. It's a way of giving some job creation. So we encourage the government to move swiftly.

There are a number of projects that people have identified—different businesses; projects, for example, at the border, which is extremely important, particularly for this region, where we transport 85% of what we produce in this province to the United States. We would urge the provincial government to push very heavily the federal government to move on the infrastructure project for the twinning of the bridge.

Infrastructure is vital. As I said, we have a huge infrastructure deficit in this province and I think it's incumbent that we move very swiftly on that. That is not to say that issues around tax harmonization cannot be looked at as well. We are very, very encouraged by senior staff within the Ministry of Finance with respect to that. We realize that isn't going to be something that the government can announce overnight, but all that we're asking is that the government recognize that there may be some merit to this, and as the times begin to improve, perhaps we can move swiftly on this.

The Chair (Mr. Pat Hoy): Ms. Aggelonitis, we have about a minute.

Ms. Sophia Aggelonitis: Thank you very much, Len, for coming in today. It's great to see you.

One of the things that the Ministry of Small Business and Consumer Services is paying a lot of attention to is this red tape and paper burden initiative. What would be the solution for a chamber member if we were to reduce the paper burden? What do you see as the best way to do that?

Mr. Len Crispino: I think there's no doubt that if you talk to individual ministers, they all recognize that this is a problem; it's been a problem that's been with us for a number of years and decades. I think the biggest issue is—I talked about harmonization of tax. I think there needs to be a harmonization of ministries so that if a foreign direct investor is looking at investing in this province, they should not have to go to the Ministry of Labour, they should not have to go to five other different ministries for various approvals. I think to the extent that there can be a one-door operation where an investor doesn't have to understand different ministries—all they want to understand is that they want to invest in this province, and they can only do that by going to one window in government. That would be singularly the most important piece that could be done in this area.

Ms. Sophia Aggelonitis: Thank you.

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

Mr. Mike Colle: On a point of order: I wonder if I could ask research in due course to give us background on the impacts of tax harmonization on the tax on consumer goods and what new taxes would have to be imposed on what range of consumer goods—if we could have that by the end of the session. This keeps coming up.

Mr. Larry Johnston: By the end of the session—

Mr. Mike Colle: Yes, by the end of the committee's presentations, if that's possible. What I'm trying to get at is that I know one of the drawbacks to harmonization has been the taxes on new goods and what new goods would be taxed by this harmonization. I'd just like to try to get a list of that.

The Chair (Mr. Pat Hoy): And if you'd put that in writing for him, as well.

Mr. Mike Colle: Okay. Yes, I can do that.

The Chair (Mr. Pat Hoy): The notice is taken. Mr. Hudak?

Mr. Tim Hudak: I just support Mr. Colle's suggestion—and I know, Mr. Crispino, from our meeting with Stuart Johnston last week, that the chamber will have that report out in the new year. We look forward to that, and I can appreciate Mr. Colle's question. We're interested in the impacts of a proposed HST.

I apologize; I have an additional question I'm going to add. Just because of the rotation model, we didn't get to ask questions of Mr. Crispino and I regret it. Maybe I could ask, through you, Chair, if the appropriate ministry—and I'm going to guess it's public infrastructure renewal that's doing the high-speed rail link feasibility study?

Mr. Len Crispino: We're not sure who's doing it exactly, but I guess what we're saying is that there are a number of reviews that are taking place to kind of help push the project along. We would encourage—

Mr. Tim Hudak: I'll pose my question in this way. Would the appropriate ministry update the finance committee on the proposed Ontario-Quebec high-speed rail link, including the following information: the due date of the feasibility study, any early findings of the study, the terms of reference of the feasibility study and the individual or group conducting the study. That would be helpful, I think, for our considerations, Chair.

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

LIFELABS MEDICAL LABORATORY SERVICES

The Chair (Mr. Pat Hoy): Now I call on LifeLabs Medical Laboratory Services to come forward, please. Good morning. You have 10 minutes for your presentation. There could be five minutes of questioning. I'd just ask you to identify yourself for our Hansard recording.

Mr. Jeff MacDonald: Thank you, Mr. Chairman; thank you, committee. My name is Jeff MacDonald. I am the general manager for LifeLabs Medical Laboratory Services here in Ontario. Thank you for inviting me here today to contribute to the pre-budget consultation hearings. I'm here to represent LifeLabs, formerly MDS Diagnostic Services, Ontario's largest community medical laboratory provider and a vital member of a patient's extended health care team. LifeLabs provides medical laboratory testing to patients under the Ontario health insurance plan, tests that help in the prevention, diagnosis, monitoring and treatment of illness and disease.

Laboratory testing is integral to our health care system. Some reports estimate that lab results constitute about 70% of a patient's medical record, while up to 80% of clinical treatment decisions are based on the results from laboratory tests. As we all know, early and effective treatment of illness and disease can deliver significant savings to the health care system and, more importantly, improve the health of Ontarians. According to a 2007 report conducted by Deloitte and Touche, laboratory testing in Ontario has delivered over $1.2 billion in savings to the Ontario health care system in the past 10 years, yet laboratory testing makes up less than 5% of the Ontario health care budget.

I'm not here to tell you that we are just a low-cost provider and a savings vehicle for the health care system. We ensure access to laboratory health care services throughout Ontario; we deliver quality, we deliver innovation and we are continually finding ways to deliver added value to the public health care system. With a provincial infrastructure of over 2,000 health care professionals, we ensure access to health care services through our patient service centres as well as through 11 testing centres in Ontario. We do have 125 collection sites and we provide local access to services throughout rural Ontario. Through this infrastructure, we receive more patient visits annually than all the emergency room departments in Ontario.

It is through this infrastructure that a resident in the far north of Ontario receives the same access to test services as those who are in the Niagara region. We're also one of the very few health care providers that measures wait times in minutes, not days, weeks or months. We have also adapted the tradition of the old physician home visits. We visit many patients in their own homes and through long-term-care facilities.

We are an important founding member of the Colon Cancer Check program and we've developed a centre of excellence for fecal occult blood testing right here in the Niagara region. We are also a founding member of the Ontario Laboratories Information System, which is a precursor to a full patient e-health record. We provide all of these services through a capped funding agreement which delivers greater value to the public health care system each and every year, since the annual increases in demand for laboratory services significantly outpace any increase to our annual funding.

Based on our level of expertise and patient interaction, I'd like to raise three points to discuss with the committee related to maintaining a strong standard of comprehensive health care in light of the current economic climate. I'll start off with supporting patient access to community laboratory services; secondly, I'll touch on introducing new tests, and I'll use the new PSA test as an example; and thirdly, I'd like to gain the committee's attention on developing new programs for chronic disease management, and specifically a proposal that we have for diabetes management.

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Starting off with supporting patient access to community lab services, we recognize that the current global economic crisis is having an impact on the government's fiscal resources. Ontarians continue to need access to health care services, including the crucial services we provide, nonetheless. We see this in the growing number of patients that we are supporting. This year, our patient volumes are increasing at greater than 10%, year over year, from 2007, and we expect volumes to increase by similar amounts over the next several years.

These increases are being driven in large part by government health care priorities such as incentives to physicians for the early detection and improved monitoring and management of diseases, as well as support for nonattached patients. These are all wonderful priorities and we support these priorities, but we will require additional funding in the future to cover the resulting increase in demand for laboratory testing.

This fall, our industry was asked to accept very modest funding increases over the next few years, increases that will not cover the rise in demand from our patient volumes. Given the global economic crisis and the importance that we place on public health care and services, our industry is willing to support and do our part in helping the health care system weather the current economic storm; however, we need to receive assurances for the future that our services will be recognized and supported, as well as the drivers that go along with that.

Secondly, I'd like to talk about introducing new tests, and I'll briefly touch on the prostate-specific antigen test. In 2007, the government committed to cover the cost of prostate-specific antigen testing delivered in community laboratories as part of the early detection and effective treatment of cancer. We understand the importance of this commitment and are in a unique position to assist the government in delivering this commitment. We simply ask that, should the government continue to proceed with the introduction of PSA testing and extending that into the community laboratories sector, the necessary financial resources to appropriately sustain such a program follow that testing.

Thirdly, I'd like to call the committee's attention to diabetes management and chronic disease management in general. The costs of chronic disease, and more specifically diabetes, are mounting at an alarming rate. According to the latest research, diabetes will cost the province of Ontario approximately $40 billion over the next eight years in direct and indirect costs. It's no wonder that diabetes has been identified as a top priority by the Minister of Health and Long-Term Care. LifeLabs and the community laboratory industry support this and we think that we can help the government achieve its objectives. LifeLabs and the community labs sector are uniquely positioned to assist the government in this initiative. Because of our patient interaction, our geographic reach and our experience in managing large volumes in a cost-effective, high-quality manner, we can help the government deliver on this initiative.

We have led and developed a disease management model for diabetes that focuses on the following: early patient identification, making sure diabetics know that they are diabetics; physician and patient notification; the patient testing process; ensuring that the patient is empowered to self-manage and ensuring their compliance through the diabetic cycle; and results management.

We are currently meeting and engaging with the Canadian Diabetes Association on this model and are planning to jointly bring this forward to government. We believe our model of chronic disease management for diabetes will deliver an expected savings to Ontario's health care system that could be over $2 billion over the next 10 years, and that's a conservative estimate. We call on the Ontario government to proceed on schedule with its diabetes strategy despite the current fiscal situation, and to meet with us to understand and support our initiative, which will deliver a significant return on investment for the government while positively impacting the lives of Ontario's diabetics.

I'd like to summarize by bringing your attention to the fact that community laboratories are a linchpin of Ontario's health care system. We provide both patients and physicians with access to vital test information which they need in order to make key health care decisions. Our involvement makes it possible for the health care system to sustain the toughest of economic times and still meet the demands of an entire population. However, we need government recognition and support for our services so that our ability to contribute to achieving the government's overall health care objectives can be maximized.

As we've demonstrated through our delivery of high-quality, accessible laboratory services over nearly 40 years, and more recently through our involvement with ColonCancerCheck and our establishment of OLIS, we can be a part of the solution and we can lead toward solutions. Through proper support, this can continue through 2009 and beyond.

I'd truly like to thank the committee today for the opportunity to present to you and I would be open to any questions.

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

Mr. Tim Hudak: Mr. MacDonald, thank you very much for your presentation and for making the trip down the QEW this morning in some nasty weather.

I have a quick general question. Some folks, whether they be legislators or deputants to the committee, argue that increasing delivery through private sector for-profit companies is the creeping privatization of health care. They would rather it be government-run or not-for-profit groups. How do you respond to that, in a general sense?

Mr. Jeff MacDonald: I think that it's important for Ontarians to recognize that the delivery of laboratory services through this model has been in place for over 40 years. We deliver publicly funded health care services in a cost-effective manner for the government of Ontario. Without the delivery through this model, the government would have paid over $1.2 billion in additional funds over the past 10 years.

Mr. Tim Hudak: Through public sector delivery—

Mr. Jeff MacDonald: Public sector delivery.

Mr. Tim Hudak: You mentioned that you're doing the old-style physician house calls. Can you give us an example of that?

Mr. Jeff MacDonald: Sure. LifeLabs visits over 600,000 patients a year, either in their own homes, if they're homebound, or in long-term-care facilities. We actually hold the largest market share of that segment in Ontario. We deliver about 70% of home visits in Ontario through LifeLabs.

Mr. Tim Hudak: On the third page, you said, "This fall, our industry was asked to accept very modest funding increases over the next few years...." Help me to understand that. The timing is this fall, so this is halfway through a fiscal year. Could you give me some more information on what that point meant?

Mr. Jeff MacDonald: The Ontario Association of Medical Laboratories entered a three-year agreement with the Ministry of Health in April 2008. Unfortunately, negotiations on that were delayed until the fall, so we are just at the final stages of completing that agreement with the government. It will be retroactive to April 1, 2008, and will be a three-year agreement that has decreasing percentage increases year over year which effectively, if you average out the three years, comes in around 2%—and which is a volume increase of 10% to 14%.

Mr. Tim Hudak: You say 10% from 2007, in a previous bullet.

You give particular emphasis to the diabetes strategy, and you want the government to continue on its timetable for its strategy. Can you give us some specifics in terms of what you think the deliverables are on the diabetes strategy and what role LifeLabs will play?

Mr. Jeff MacDonald: LifeLabs can ensure patient compliance. The Canadian Diabetes Association recommends that hemoglobin A1c testing be done once every four months for each diabetic, as well as other testing on a quarterly and an annual basis. We have evidence that only 6% of diabetics are having their hemoglobin A1c done four times a year. If we can increase that percentage up to north of 90%, which we believe we can do with our program, we will delay the onset of co-morbidity diseases, which will save the health care system billions of dollars over the next 10 years.

Mr. Tim Hudak: What's missing here is the budget. Are there funds that have been allocated and you're worried they'll be depleted? Or do new funds have to be allocated to execute that strategy?

Mr. Jeff MacDonald: We are looking for consultation with the government, as part of an investment piece. We understand that about $749 million has been allocated toward diabetes management. We have specific areas of knowledge where the government is looking to improve patient compliance and delay of co-morbidity. We would like to put forward our plan as part of that $749-million allocation.

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

NIAGARA HEALTH COALITION

The Chair (Mr. Pat Hoy): Now I call on the Niagara Health Coalition to come forward, please. Good morning. You have 10 minutes for your presentation. There could be five minutes of questioning. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Ms. Sue Hotte: Good morning, everyone. Thank you very much for this opportunity. My name is Sue Hotte. I'm co-chair of the Niagara Health Coalition.

We are a network of individuals and organizations that are here to protect and enhance health care in the public system. We have been very active in Niagara since 1999. We are non-partisan. In 2001, we held a community plebiscite in which more than 12,400 people voted to stop the privatization of St. Catharines's new hospital.

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We do share and support the Ontario Health Coalition's presentation that occurred earlier, and we are also concerned about the lack of long-term-care facilities—here in Niagara, there are over 1,000 people waiting for placement—and the lack of public accountability in these facilities. We have been the site of large protests against competitive bidding in home care.

However, the large budget deficit in the Niagara Health System due to serious provincial underfunding for the past six years and the proposed restructuring plans, including the redevelopment of the St. Catharines hospital as a P3, will be the focus of our presentation.

The Niagara Health System did present a restructuring plan—the hospital improvement plan—because it's a requirement of the provincial government. This year and next, global budgets for hospitals, as you are aware, have been set at rates that are lower than the rate of inflation. This was done well before any threat of recession as a purposeful attempt to force further restructuring on Ontario's hospitals. This committee should pay particular attention to the consequences of this policy in Niagara because restructuring entails a whole new set of costs, both monetary and in terms of compromised health and reduced services.

If we look at the bottom line, the plan calls for the closure of two hospitals by 2013, one in Port Colborne, which has a population of 30,000 people, and the other one in Fort Erie, which has a population of 19,000. Please note that in the summer these populations more than double. The plan says that their hospitals will be replaced by one community health centre, and the location has yet to be determined. But a community health centre is certainly not a hospital, and it means that there are going to be significant cuts to services, and this could endanger patients.

We already have a backlog in the emergency departments in Welland and in Niagara Falls. For example, almost 7,000 people used the Port Colborne emergency last year. It's so bad that for three months the regional municipality of Niagara put in two more ambulances at a cost of $125,000. If you project that for a year, it's $500,000. If those emergency departments are closed, then definitely it's a significant cost to the regional government.

The other thing that is a huge concern is that all the birthing—maternity and child—services in the peninsula will be centralized to the new St. Catharines site. Ironically, the highest birth rates occur in Niagara Falls and Fort Erie. Once again, this means that birthing services in Welland and Niagara Falls, where they're presently found, would be cut. It presumes that the infrastructure will be funded and that there are going to be savings from cuts to staffing. There's a great concern to many of the additional risk to patients because they are travelling farther. Anyone in this area who has tried to get from

Fort Erie to St. Catharines and there happens to be a storm, well, good luck to you. You're in really deep—you're putting yourself at risk.

The other concern that we have is that the mental health beds are to be centralized in St. Catharines. People will no longer be able to visit their loved ones in the facilities in Welland and Niagara Falls. A huge problem in this area is that we have no regional transportation system, so many of these costs are going to be downloaded to the regional municipality. Taxpayers, in the end, will have to pay for these higher costs and people are not going to be well served by the centralization of the mental health beds.

In their presentation, the Ontario Health Coalition has outlined the high costs of the last round of provincial hospital restructuring. In Niagara, the last round of restructuring has resulted in the forced amalgamation of all the local hospitals in the peninsula. Has there been any consultation or evaluation on the impacts from that round of restructuring? Clearly the public evaluation is that restructuring has not reflected the needs of the smaller communities, and when you have 6,000 people coming out with their concerns in Fort Erie and you have 3,000 coming out in Port Colborne, it's clear that public consultation is extremely important to these communities.

A recent poll has also shown that there's no public trust in the Niagara Health System in terms of its governance and management. The provincial government has also refused to fund any reasonable hospital deficits. This has grave implications for patients here and it is unlikely to save any money. Why? Because we are a system that presently has a $17.2-million deficit. It's projected to be the same next year. Through the restructuring plan they're hoping to get something like $3 million in savings, and that is very dubious. It will continue to be in a deficit situation because the Ontario government has never properly funded—its funding model, as far as it reflects the Niagara Health System, is totally inadequate.

Am I getting near the end?

The Chair (Mr. Pat Hoy): No. You have three minutes yet.

Ms. Sue Hotte: Okay, sorry.

We've very concerned about the new hospital. The Deutsche Bank is one of the financial partners and they're having problems, as you know, with securing actual cash. So what will be the implication with regards to the new hospital? The longer it is delayed, the more it will cost at the end.

As you go through this—hopefully you have a good look at it. The Niagara Health System has the third-highest mortality rate in Canada in hospitals; it's at 129. We do need to have more funding, adequate funding. The restructuring plan should seriously be examined. The provincial government should reassess the funding that the Niagara Health System receives.

Furthermore, it needs to take into consideration the total impact of following the P3 model to build hospitals. It does cost more and, when disclosed, taxpayers will be shocked at how many billions of dollars will be diverted from hospitals and health care in a period of 30 years. The regional government of Niagara and the municipalities of Niagara also need special consideration. They are the ones that will be paying for the additional cost of a regional transportation system, increased costs to provide an ambulance system and the list goes on. All citizens of Niagara deserve to receive and have access to the same best hospital and health care that is available to citizens in the Golden Horseshoe.

I thank you for the opportunity to present our concerns to your committee.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will go to the NDP, Mr. Prue.

Mr. Michael Prue: Yes. We earlier heard from Ms. Mehra about the cost overruns of P3 hospitals. We are very worried about what's going to happen in St. Catharines in the same term, and I thank you for what you're saying. Is there anything we can do at this point to change the formula, in light of what's happening with Deutsche Bank, and take it away from being a P3 hospital and make it a publicly built hospital?

Ms. Sue Hotte: I think that's what the government needs to do in terms of changing how it wants to build infrastructure facilities like hospitals and roads in Ontario. It has the ability to borrow the money at a cheaper rate, it can get credit much more quickly than most financial institutions, and so they're quite capable of doing that. They have decided to follow this model which, at the end of the day, will cost huge amounts of money.

1100

I just did a quick calculation: If you're looking at a difference of 1% for the St. Catharines hospital, $600 million between 6% and 7%, the difference over the cost of 30 years is $92 million. I don't know about the rest of you, but we could certainly use that $92 million in a very good way to enhance health care here in Niagara.

Mr. Michael Prue: One of the proposals has been that if Deutsche Bank and the consortium fail, they go to the next bidder. Would it be better for the government to just not do that and just embark on a hospital building entirely in government hands?

Ms. Sue Hotte: Definitely, because this hospital was announced in 2002-03, to be built by 2008-09. Then it went to 2006, and it was announced that it would be 2011; and just a few days ago, now it's 2013. If you look at the Peterborough hospital, it was built through the traditional means. They got their hospital much more quickly, on time, on budget. Do it that way, because you just have too many players within the consortium. And just to let you know, I'd like to know how in the world Shoppers Drug Mart got into the consortium, and they have dibs in the new hospital—all right? There's all kinds of stuff going on there; I don't know.

Mr. Michael Prue: Yes. In this time of economic downturn, when we are struggling and trying to get construction workers and keep them occupied, it seems foolhardy to delay the process if you can do it right away, when we need to stimulate the economy. Do you foresee, if the government took this over and had this as one of its stimulus packages, that we could break ground and start building sooner?

Ms. Sue Hotte: Definitely. They've already done all the soil testing. In fact, there was one company out there a couple of weeks ago doing some soil samples. They're ready to go. The design has pretty well been approved. Just go with it; build it. Certainly in our area, looking at 7.5% or 7.6% unemployment, it would be a boost to the economy. The sooner they start building it, the better.

Mr. Michael Prue: Thank you.

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

COMPUTER ANIMATION STUDIOS OF ONTARIO

The Chair (Mr. Pat Hoy): I would call on the Computer Animation Studios of Ontario to come forward, please.

Mr. Ron Estey: Good morning.

The Chair (Mr. Pat Hoy): Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Tim Hudak: Is it animated?

The Chair (Mr. Pat Hoy): Is it an animated presentation? I'm being asked.

Mr. Ron Estey: I can wave my hands.

My name is Ron Estey. I'm the past president of the Computer Animation Studios of Ontario. I'm also president of CORE Digital Pictures animation studio in Toronto.

I wish to thank you, Mr. Chairman, and the members of the committee for permitting me to speak with you this morning about what we consider to be a brilliant success story in terms of industrial policy and industrial development in Ontario. I recognize some of the faces around the table from the presentation I made two years ago. I don't rigorously follow my notes. I will just chat with you about animation and let you know a little bit about where we see the animation business and the digital effects business evolving over the next little while.

This indeed is a success story. It's a success story that is built on government policy as well as educational policy in the province of Ontario. Two years ago, when I sat here in front of you, I gave you a number of opinions of what I saw as the animation and digital effects business in Ontario. With the generous support of the Ontario Media Development Corp., I now have some hard numbers based on the survey that was conducted in the industry last year.

In fact, two years ago, we really didn't know we had an industry, but we do have an industry. We have an industry that spans the province from Yonge St. to Ottawa to Sault Ste. Marie to St. Catharines, and company formation continues. We have just received a new member in our association from Guelph, Ontario, so certainly the expanse of digital technology and the capacity to not be constrained to walking distance of Yonge Street or Sparks Street is something that we're seeing.

The Ontario government has certainly been supportive of knowledge-based industries and digital media production over the last decade, and has been at the forefront of that in North America and the world. We see that the results of that have been spectacularly successful. Since 1997, when OCASE, the Ontario computer animation and special effects refundable tax credit, was introduced, we have had a 1,300% increase in employment. There has been the establishment of 80 to 90 permanent businesses in Ontario, small to medium-sized enterprises, producing digital animation and digital visual special effects. We have around 2,000 employees. Of that, about two thirds are artists working on the floor, digital artists, with Sheridan College, Centennial College and Seneca College being the major schools. But certainly most of the larger studios—at the studio that I work for, we have 20 software developers and 15 systems engineers who keep the infrastructure operating. So it's not just artists on the floor working with computers; it's all of the infrastructure that is accompanying that.

Our sales last year were about $200 million. Our message to Ontario is: Build on the success. This is an industry that is somewhat recession-proof. It is built on the knowledge of our staff and employees and on our capacity to compete in the world market. In the decade since OCASE was established, there have been, as we see day by day, substantial changes in the marketplace. That's not just in the animation and visual effects marketplace; it's everywhere.

The one aspect of OCASE that was fundamental to its establishment 10 years ago was the prospect of building permanent studios with permanent employees in the province. Certainly, part of that has been true; we are building permanent businesses which employ Ontario residents. However, what has happened is that, as the world market has expanded, the workforces have become more and more itinerant. The best artists can go anywhere. They can go to Toronto, to Ottawa, to Montreal, to Vancouver, to Sydney, to Wellington, to Mumbai, to Paris, to London and to New York and get good-quality work. What we're seeing is the evolving of a huge, in relative terms, industry—probably 1,000 to 1,500 highly trained, highly skilled artistic people who travel the world looking for the cool work, because that's what they want, and that's what we try to provide them with in Ontario. But the work is granular. It's a project here, a project here, a project here as the workforce travels the world to seek out that work. So what we're finding is that we'll have an animator who was trained at Sheridan College come to work for us for two to three years, move to Vancouver and work for a year, come back to Ontario and work for a year, go to Los Angeles and work for a year, go to Paris and work for a year, and come back to Toronto.

One of the aspects of OCASE, the computer animation tax cut, is that it is based on the residency of the employee the year before. Insofar as the inception of projects is fundamentally random, we have really no capacity to predict when projects are going to start. So we're finding, in practice, that what we call the prior-year rule for the computer animation tax credit qualification of employees is becoming a constraint on our ability to access the tax credit that would be normally accessible to us for those employees.

1110

We're asking the committee and the government of Ontario to consider a minor refinement to the OCASE tax credit to harmonize it with the practice in Quebec and with federal tax credits, those being that the requirement for residency is when the work is done, not some prior period that may be somewhat arbitrary in relationship to the project's inception. That certainly is one of the aspects of the tax credit that we find most troublesome, because it's an after-the-fact adjustment: Only after audit do we understand what the residency of that individual was, because it depends on where they filed their tax credit. So when we go to our banks for funding and we go to build our budgets around the accessibility of the tax credit, there's a risk factor there, an unknown factor.

The other aspect that we would ask the committee to reconsider is harmonizing the OCASE tax credit with the other two Ontario tax credits. That is to permit advances to the tax credit upon accreditation and certification by the OMDC and not after audit. With the success of OCASE, the number of claims has exploded. In 1999, the OMDC had to adjudicate 10 claims for tax credit. Last year, they had claims for 254 projects. That explosion has caused, fundamentally, a slowdown in the certification process. OCASE is the only one of the three Ontario tax credits in which we do not get advances on the tax credit at the point of certification by the OMDC. This has caused substantial working capital shortage for the studios, as we need to carry the tax credit from the time we pay out to our employees to the point, two to three years later, when we actually receive the cash from the tax credits.

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

Mr. Ron Estey: Thank you. This is also exacerbated by a new development over the last two to three years with respect to OCASE. As it has become more and more of a known element in the Ontario tax credit spectrum, producers are asking for it to be discounted to them up front. So not only are we, I would say, robbed of the capacity to use OCASE for building infrastructure, buying computers, buying software, developing software; it has now become a discount chip that we need to put on the table up front in order to secure business as we compete worldwide. The added necessity for us to fund not only the OCASE tax credit but also the discount that's associated with that causes a diminishing of the tax credit by about 4% or 5%. Fundamentally, those monies go to the Royal Bank or the National Bank to underwrite the funding of the tax credit.

So those are the two refinements—and I will call them "refinements"—to the very successful program that Ontario has run for the last decade, and that being OCASE: to remove the prior-year residency requirement and to harmonize with the other two tax credits the ability to get advances to the tax credits upon certification by the OMDC.

Thank you, Mr. Chairman and committee, for your time.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the government.

Mr. Charles Sousa: Thank you very much for being here. This is very exciting; it really is. I find it fascinating, the whole industry—film, and certainly the animation portion of it—and you make us very proud as a country, not just as Ontarians and as a jurisdiction, because we've really shown some leadership in the explosion of our artists and of those who are in the business. I'm pleased that we can contribute as a partner in terms of the Ontario government providing those tax credits and those incentives to enable the industry to prosper here in Ontario. It's not just the film industry or the animation industry or the government itself; it's also, as you've mentioned, the banks. A number of them have specialized in the industry, as have some of the others, and it's great to see that partnership and that ability to move forward.

I'm trying to get clarification now on the differences between the Ontario film and television tax credits versus the animation one, and the timing. You've mentioned that the banks, in essence, are factoring your receivable.

Mr. Ron Estey: That's correct.

Mr. Charles Sousa: And it's at a higher cost and a longer period of time. What's the difference? Why are you receiving it at a lag versus the other ones? Are they expecting performances from you first?

Mr. Ron Estey: There was a period prior to about 2002, as I recall, where none of the tax credits would receive advances. When the Canadian dollar started to move, this was causing the film producers to go through the same kinds of delays that we're going through in terms of being short of cash.

An organization called FilmOntario, one of our sister organizations, made representation to have advances applied to the other two tax credits, the Ontario production services tax credit and the Ontario film and television tax credit, and that was granted. OCASE was left off the table. We're not particularly sure why.

CASO, the animation association, didn't exist then. We see that we were perhaps a poor sister. It wasn't a matter, I think, of anything that was divisive or conscious. It was just not something that was asked for, and so it wasn't granted.

Mr. Charles Sousa: Where do you see the industry going? I know the schools are big now. We've got great institutions supporting the successiveness of new players into the thing. You say it's recession proof. Explain.

Mr. Ron Estey: The quality of the artists coming out of Ontario is second to none. A decade ago there was one world-class school; that would be Sheridan College. Now there are three—Sheridan College, Centennial College and Seneca College—clearly producing world-class artists. Of course, that's matched by the world-class computer software developers we get from the University of Waterloo and the U of T. In our judgment, this can be the epicentre of digital media creation for film and television.

I don't have it with me, but the new mode of transmission of this is going to be digital, is going to be handheld, is going to be Internet TV. My sense is that we're getting fairly serious cost pressures from India right now, from Thailand. A new animation studio just opened in Kathmandu.

The world of animation is spreading. The Pricewaterhouse annual economic forecast sees growth of 12% per year over the next five years. I think that we're on top of that. I think that we've got the infrastructure, we've got the management skills and we've got the artistic skills to lead the world.

Mr. Charles Sousa: Congratulations.

Mr. Ron Estey: Thank you very much.

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

Mr. Ron Estey: Thank you so much, gentlemen, ladies.

BEGINNING FARMERS

The Chair (Mr. Pat Hoy): I'd ask the Beginning Farmers to come forward, please. Good morning. You have 10 minutes for your presentation; there could be up to five minutes of questioning. I'd just ask you to identify yourselves for the purposes of our recording Hansard.

Mrs. Teresa De Wetering: Thank you, Mr. Chair. My name is Teresa De Wetering. I'm here today as a beginning hog producer along with my husband, Richard, sitting back there. My colleague Wayne Bartels is here as a beginning hog producer as well to tell his story. We are representing a group of over 100 beginning/expanding farmers who have joined together in recognition that the current safety net payments made within the recent years of 2007 and 2008 do not make allowances for the beginning-farmer situation, thereby leaving them out. The majority of the group consists of hog producers, followed by beef farmers and two horticulture farmers.

The livestock and horticulture industries are very important to the province of Ontario. We are aware that the Ontario Cattlemen's Association, Ontario pork producers, and Ontario fruit and vegetable growers, as well the farm federations have all submitted budget suggestions, oral and/or written, identifying the struggles and importance of agriculture. With respect to the livestock industry, both the cattlemen and pork producers have indicated that there is still a serious crisis and an appreciated need for safety nets. As beginning/expanding farmers, we couldn't agree more.

1120

We have prepared a presentation discussing the issues revolving around safety net design flaws and the beginning/expanding farmer. I'm not going to show it on PowerPoint, as I didn't realize I had to bring my own computer, so I'm going to continue on. The document that I gave you has the slides sort of set in there.

The three payments that have negatively affected the beginning/expanding farmers to date are cost of production; Ontario Cattle, Hog and Horticulture, referred to as OCHHP; and Kickstart. We would like to explain the problem and then provide a solution, such that the beginning/expanding farmers can receive a fair payment. Our presentation is from the perspective of the beginning/expanding hog farmer with regard to safety net design flaws.

Livestock crisis issues: Support programs need to encourage and support new farmers to start and remain in business. Beginning farmers are our future. These individuals will be increasingly important to the coming decade, as record numbers of producers are expected to make way for a new, younger, and debt-leveraged generation.

Some definitions—from Canada Revenue: The beginning farmer is someone who has started farming in the last three years; after your start-up year, you are considered to have expanded. The reality of the beginning/expanding farmer: Until you have a history of five years, you are not an established farmer. If a payment is based on historical numbers for which you have no records, you are beginning. You're not a "beginning livestock producer" until you own your own livestock, as per CAIS rules—the generation caught in the middle.

The problems with the OCHHP: It has excluded the beginning/expanding farmer since 2000; it included the retired, dead and bankrupt companies; it had no clawback and no caps; it created an unlevel playing field among producers; it does nothing to encourage and support new farmers to start and remain in business.

Inequities: All producers, young and old, beginning and established, pay equal service fees to their commodity boards. If countervail costs were to result from a government assistance program, all producers pay—the beginning farmer too. All producers, as stakeholders, have the right to be supported fairly. This right has been fundamentally violated.

A brief history: In September 2007, the Canadian dollar ran par to the US dollar; the livestock industry, already in crisis, was coined the "perfect storm."

On December 4, 2007, the Ontario Cattlemen's Association was seeking per head funds; Ontario Pork asked for cash for Christmas; a similar lobby for hogs shipped up to November 30, 2007.

On December 14, 2007, the provincial Minister of Agriculture, Leona Dombrowsky, announced they would provide $150 million to increase competitiveness and help Ontario cattle, hog and horticulture farmers manage the impact of higher input costs, the stronger Canadian dollar and lower market prices; OCHHP details were released, with $60 million to the hog sector based on cost of production, 2000-04—a one-time initiative designed to target assistance to those dependent upon cattle, hogs or horticulture for the majority of their farm income and deliver the funds as quickly as possible. Using the COP payment as the base for OCHHP provided an easy way of getting the money out quickly—many farmers were thankful—but it did not make sure that the beginning/expanding producer dependent upon cattle, hogs or horticulture for the majority of their income was included. Was it a requirement that you must have been farming from 2000 to 2004 to be treated fairly? A payment promised for all suffering financial losses went to a payment excluding and seriously shortchanging the beginning/expanding farmer. These farmers need a fair payment to survive the crisis, just the same as the established farmer.

The crisis continues today. Thankfully, the federal government provided assistance via an emergency loan livestock program that did not distinguish between farmers. However, a solution is still needed. Beginning/expanding farmers need a relief payment geared to those who fell through the cracks. The payment must be based on similar rules of the OCHHP—the 50% rule still applies, but for the 2007 production year. Changes to the eligibility criteria and the payment calculation are needed. If the 2000-04 allowable net sales are less than the 2005-07 ANS, then the farmer is a beginning/expanding farmer. This qualifying rule needs to be analyzed to establish the funding required. The application could be completed by an accountant. A cap should be applied, with an appeal process for the exceptions.

As a stakeholder representing a group, I would personally appreciate the opportunity to discuss the details of a beginning/expanding relief payment. Once this problem is solved, all farmers can then be treated fairly.

The Honourable Leona Dombrowsky has said, absolutely, she wants to help the new-entrant farmer. We cannot forget about the generation caught in the middle, the beginning/expanding farmer, the new entrant of the last 10 or so years, the one who has been left stranded.

We have already had beginning hog producers exit the industry; some have succumbed to selling their home and moving. The livestock industry is still in distress. Any further losses will be felt in other infrastructure segments, such as feed and other input suppliers and equipment dealers. If we force the beginning/expanding farmer out of agriculture, we lose more family farms and contribute further to the farm population getting smaller and older. This will lead to further losses of processing jobs in urban Ontario and a reduction in Canadian value-added GDP.

I would like to ask Wayne to briefly tell his story in the time remaining.

Mr. Wayne Bartels: I'm Wayne Bartels. I farm with my brother Geoff Bartels. We're beginning farmers.

We are a family farm consisting of myself, 35 years old, my wife, Hilda, our five children; and my brother Geoff, 28 years old, his wife, Chelsea, and their two-month-old daughter.

We entered the hog business in 2005 and currently have a 625-sow, farrow-to-finish operation. Our goal from the start was management excellence, and we have been very successful and have already won the much-coveted $20,000 PIC Camden Cup award for the highest sow production across Canada in 2007.

However, due to the government support program's use of the years 2000 to 2004 to calculate payments, we have missed out on critically needed funds that most other farmers have received. We have received zero dollars from the cost-of-production program and zero dollars from the Ontario cattle, hog and horticulture program. As young farmers we were missed, while retired and deceased farmers who farmed through the years of 2000 to 2004 received payments.

Due to the faulty distribution of the government support payments, our farm is now in severe financial difficulty, and we are having trouble getting feed delivered to our farm. We have been in contact with and have met with our MP, MPP and the Ontario agriculture minister, but so far our efforts have been fruitless.

Our farm, and everything we have worked for, is now on the brink of financial disaster. We need your help in receiving a relief payment. A government that wants more young people in agriculture needs to stand behind the young people who are already in agriculture. If not, young, top farmers like my brother and me will go bankrupt. Please, beginning farmers need the support of the Ontario government before it's too late.

Thank you for taking the time to listen to us today.

Mrs. Teresa De Wetering: And on behalf of all the members in our group, some of whom no longer are farming, we'd like to say thank you for taking the time to listen to our request.

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

Mr. Ted Arnott: Thank you for your presentation; it was excellent.

Mrs. Teresa De Wetering: Thank you.

Mr. Ted Arnott: Is the OFA supporting the kinds of points that you're making? You felt the need to organize as a separate organization.

Mrs. Teresa De Wetering: The OFA is extremely supportive. I must confess they have been a great help in pushing me to bring this as far as it has come. They have also helped with the presentation. I presented a similar presentation to the OFA, but via questions and then handing out the presentation format. I didn't actually have a time slot to speak.

I also had the pleasure of meeting Honourable Minister Leona Dombrowsky face to face, and that was a pleasure. That's where I get the comment that she said, absolutely, she wants to help the new entrant.

There was a forum speaking about the new-entrant farmers, but we're not new entrants. We're the new entrants who have been there in recent years, and that's the problem.

Mr. Ted Arnott: All right. You mentioned the meeting—no, actually, the announcement that took place on December 14, 2007, of $150 million for cattle, hog and horticulture farmers. There was a meeting that took place that very same evening in Perth county. Perhaps, Wayne, you were there, because I was there too. There were hundreds of farmers there to discuss this. I made the point that if it wasn't enough, we needed to redouble our efforts to make sure that there was—

Mrs. Teresa De Wetering: Was that—there was a meeting in Mitchell, but that was prior to the announcement.

Mr. Ted Arnott: It seems to me there was one that very night, but it might have been—

Mrs. Teresa De Wetering: Okay. I didn't attend that one. I have a three-year-old daughter at home and a two-year-old son who at that time would have been a little younger—two and one. I don't recall attending it. Do you recall that meeting, Richard?

1130

Interjection.

Mrs. Teresa De Wetering: I mean, we miss some of the political things. That's part of the problem. When it started out and we read the newspapers—I read the Ontario Farmer—it was a payment for all. I didn't worry about it. When I was in Mitchell, I didn't realize the problem. I didn't even realize how seriously my hog industry was affected as a beginning hog farmer. We have lots of other issues getting a farm up and running. I don't know if you can be criticized for a lack of attention, but—

Mr. Ted Arnott: Certainly it is a commitment of our Progressive Conservative caucus to work with you and support you right now, obviously, and into the future.

Wayne, did you meet directly with the Minister of Agriculture?

Mr. Wayne Bartels: I did not, no. I went to Queen's Park and was a guest of Ernie Hardeman there.

Mr. Ted Arnott: What did your member of provincial Parliament say in terms of encouragement and advice?

Mr. Wayne Bartels: I'm in Haldimand, so we have Toby Barrett. He actually visited our farm about a month ago and then he spoke also in the Legislature about his visit that morning; he spoke in the afternoon about that. So he's very supportive of us.

Mr. Ted Arnott: We'll keep pushing for you.

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: In fact, I know my colleague Toby Barrett wrote a column about the particular position, how you've been impacted. Toby couldn't be here with us this morning but sends his best; he was fighting for you.

The federal government provided emergency funding, you said, to address this situation. Obviously, the government screwed up. I mean, there's no other way to describe it if they're using data from 2000 to 2004 for a crisis today. Is there any indication whatsoever that the province may try to follow a similar path to the federal government to address this situation and the current crisis?

Mrs. Teresa De Wetering: To date there is not, and to me it seems almost obvious that it's an opportunity for success for Leona because it actually stems from the cost-of-production payment, which is a federal mistake. There's more cost-of-production money being allocated to the provinces. That could be money that could be used to fix the problem. I don't believe it's excessive millions of dollars—it is millions of dollars, but it's not near to the amount that the retired farmers got paid. We don't know the exact dollars. It's been very difficult getting our questions answered, but there are many questions tabled to the provincial government at the moment via the estimates.

Mr. Tim Hudak: Do you know how much the funding would be, approximately?

Mrs. Teresa De Wetering: I have a guess. My guess is around $5 million up to $10 million, which is why you wouldn't put out a payment like this without a cap on it. To me, a cap is a protection too. There are all kinds of protections that got waived with that relief payment, and we understand, as beginning farmers, that the money had to go out quickly. We don't have a problem with that. If they wanted to pay the retired guys, I personally don't have a problem with that. But the fact that they didn't make the allowance to, some months down the track, cover the remainder—one of the sentences I said, "A one-time initiative designed to target assistance to those dependent upon cattle, hogs and horticulture for the majority of their income," is key. We wouldn't be complaining if it wasn't the majority of our income. We're financially strapped—the whole industry is—but the rest of the industry got a payment. That could at least put us on a level playing field.

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

WILLIAM CAMPBELL

The Chair (Mr. Pat Hoy): Now I call on William Campbell to come forward, please.

Mr. William Campbell: Good morning, everyone.

The Chair (Mr. Pat Hoy): Good morning. You have 10 minutes for your presentation, and if you would simply state your name for our recording, you can begin.

Mr. William Campbell: William Campbell, and I'm here on behalf of my son, Eric. My son is 34 and he's on ODSP. He's got a mental illness, and he's suffering doubly because of the pitiful amount of cash that he gets from ODSP. The last increase that people on ODSP got was three years ago. That was the first increase in 10 years, and they got 3%. That's $7 a week—the first in 10 years. I think that's sad, very sad. My son has deteriorated since he went on ODSP, not so much the mental illness, but just his physical appearance.

He developed schizophrenia about five years ago. Prior to that, he worked as a long-distance truck driver. He earned his AZ licence. He got a college diploma from Fanshawe and he was a second-year student at Western, but all that is gone. Now he has to go to food banks and is dependent on what we can give him.

The Chair (Mr. Pat Hoy): They'll turn the other mic on if you want to speak.

Mr. William Campbell: My wife says just to read it. My emotions are in this as well. We've watched him become malnourished and very, very emaciated. Any food he gets is possibly mostly carbohydrates—no protein. I'm just here to ask you to make sure that you consider the people on ODSP when you're doing the budget.

Mrs. Dorothy Campbell: I think what we're asking for is for the amount to be increased.

Mr. William Campbell: That would be nice. Don't decrease it.

Some of the handouts that you were given are from people like myself, or possibly people suffering from schizophrenia who have fallen into what I call a pernicious system—ODSP. It's a harsh word, "pernicious," but it's all I can think of whenever I realize that, when my son was granted his CPP—$600 a month—because of his disability, ODSP took that off of him. You may know that; I didn't know that. I was shocked that we as a province, as a country, would try and push people in this situation even deeper. They took $600 out of his ODSP.

They also have something called the housing allowance. The average single person gets about $959 a month to live on. That's everything. They have what they call a housing allowance in that, or a shelter allowance, of $434. What I find pernicious about this $434 is that my son and another fellow suffering from schizophrenia joined together so that their housing allowance was double $434, so they were able to afford a better place than what you could get for $434, which is a stinking room—believe me, a stinking room. They only pay $750 a month for their two-bedroom apartment. They're taking off $864 for the two of them for their housing allowance. They're only expending $750 for their rent. They don't get that back; ODSP keeps that. Am I making myself clear?

People on ODSP are disabled. They don't want to be on ODSP, at least my son doesn't. Some of them have Ménière's disease, where you have an inner ear problem and you cannot stand up. A friend of ours developed that. He was a truck driver. He lost his driver's licence and fell right down onto ODSP. People with mental illness—there's no cure. My son will always be on ODSP, although I do believe in miracles.

I think I've said enough. In my present state of mind, I don't want to be repetitious. I don't want to read this. As a teacher, I don't believe in giving out handouts and then reading them to you. I do urge you to read them, please.

1140

I'm not picking at any political party. Harris, Rae, Mr. McGuinty—they do nothing for ODSP. The first thing that Mr. McGuinty decided to slash in this economic downturn was what? Social services. He promised that he was going to repair what Mr. Harris had done with all the hospital closures and stuff. You're all aware of that. But he slices that. He slices the hospitals, the social system, yet we've got billions of dollars to give to—you know what I'm going to say—the car manufacturers, because they can blackmail us. They've got a lot of clout, but people on ODSP have no clout. No, not unless they come up to Queen's Park and self-immolate could they maybe get your attention, and I hope that never happens. But you've all seen pictures of Buddhist monks driven to despair, who have had to resort to that. I'm just saying that to show you how the weak, the vulnerable, the people with no power are picked on, whereas we spend all this money on big manufacturers of cars that have got themselves into this situation. If we don't have a health system, what's the point of having jobs? It doesn't make sense to me.

And also the war in Afghanistan costs us billions of dollars a year. I'm not anti-war, by no means. I'm not a pacifist, but I don't think we should be cutting our health services here while we're spending all this money over in a foreign war. I'm saying this just to show you that there's money to be found whenever it really has to be found, but seemingly not for my son.

Interjection.

Mr. William Campbell: Yes.

I think you've given me more than 10 minutes; have you?

The Chair (Mr. Pat Hoy): No, you haven't used 10 minutes yet.

Mr. William Campbell: No? Well, I struggled at the start.

So as I said, these letters are more eloquent than I at the moment in their plea for help from the government of Ontario, with Mr. McGuinty at the helm, to show that we care and are compassionate, to look after our widows and our orphans and all those other people who cannot make it on their own and have no other resources. We can give up to $5,000 without ODSP penalizing my son's ODSP payment, but we're on a pension ourselves. Why should we have to give $4,000 or $5,000? We give as much as we can to my son. Every time I go up to visit him in London, we bring all this grocery stuff. But again, that shouldn't have to be done by the families. We grieve for my son.

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

Mr. Michael Prue: Thank you very much for your presentation and for the emotion that went with it.

Mr. William Campbell: Thank you.

Mr. Michael Prue: I am the NDP's poverty critic and I stand up in the Legislature probably more than any other person in terms of what is happening to ODSP recipients. The clawback of the CPP—you used the word "pernicious." I believe it is pernicious. He is entitled to the CPP as a person who has worked and who has contributed and is now deserving of this money. The government chooses to claw it back. I hope that the Liberal members opposite are listening to this, because there are a lot of clawbacks. I have asked the minister recently for a total value amount of what the government claws back from all the programs related to welfare and ODSP, and it's not forthcoming. I've been waiting now for six weeks, but I'm sure someday I'll get that information.

What amount of money do you believe your son would need to live a life free of want? You've said the increase is necessary; $959 is obviously not enough.

Would $1,500 be? I want the government to hear a number, because this is the finance committee. What amount do you think would free him up from want?

Mr. William Campbell: I'm not an economist and I cannot say specifically, but I know that $20,000—or it used to be $20,000 a year—was the poverty line. My son is on $12,000. So, when you're that far down below the poverty line, you need a lot of money. I don't want to be greedy.

Mr. Michael Prue: No, no. let's talk. Are you saying that a person on ODSP should be able to at least escape poverty?

Mr. William Campbell: Yes.

Mr. Michael Prue: You would be looking at an increase of at least 50%, I guess?

Mr. William Campbell: Yes.

Mr. Michael Prue: There will be some who say that the government can't afford it in hard economic times like we're in. There are others who suggest that this is precisely when we should do this, because there are more and more people facing poverty.

Mr. William Campbell: True.

Mr. Michael Prue: You talked about the war, but I don't think we can do much about that provincially. Are there any other government programs or places where you think we could save some money to spend it more deservedly on people who are disabled?

Mr. William Campbell: Whenever you guys are voting yourselves pay raises, you'd tithe 10% for the ODSP people. That's facetious, but I'm saying that just prior to that 3% rise for ODSP, I think the MPPs at Queen's Park got a good, generous pay increase.

Mr. Michael Prue: Absolutely. We did. You know that the NDP voted against it? And I gave all my money to charity, so—but you think that we should be looking at reducing our expenditures to ourselves, perhaps the civil service? I don't know where you're looking.

Mr. William Campbell: Wherever there's a lot of bureaucracy, there's a lot of waste. Who's that person who looks at government waste? What's the name?

Mr. Michael Prue: The auditor?

Mr. William Campbell: The auditor, yes. Those $600 hammers for the military and stuff like that, and all the rest of those things that they have, self-closing toilet lids; I don't know.

I've never been inside Queen's Park. I've been outside of it, but I'm sure that it's quite luxurious inside, as it should be for Ontario, a province of this history. I'm just saying that there's just too much pork-barrelling, to use an American expression, and Obama, he's going to get rid of that. Good luck. I just think that we should always factor in, when we're doing our own stuff, how this will impact the needy, the orphan, the widow and those that are vulnerable in society, and not always be looking out after ourselves.

Mr. Michael Prue: Thank you.

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

Mr. William Campbell: Thank you. I recovered.

ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

The Chair (Mr. Pat Hoy): Now I call on the Ontario Association of Children's Aid Societies to come forward, please.

Good morning. You have 10 minutes for your presentation. If you would state your names for our recording Hansard, we can begin.

Ms. Jeanette Lewis: I'm Jeanette Lewis, executive director of the Ontario Association of Children's Aid Societies, and with me is Virginia Rowden, director of policy.

We have a presentation; I think you've all got it. We wanted to begin by saying that we appreciate the opportunity to present to the standing committee. We support the government's initiatives to address poverty and invest in this troubled economy. We also appreciate the ongoing support of the children's aid societies by all parties of the House.

Before I speak to the recommendations in the report, I do want to provide a bit of context about the work of children's aid societies. As you know, children's aid societies are mandated under the Child and Family Services Act to exclusively perform legislated functions related to investigation of abuse and neglect, protection of children, prevention of circumstances that lead to protection concern and to provide care for children under the CFSA. We work in partnership with others, but these functions cannot be delegated.

The role of the CAS in investigations and assessments is more familiar to the public, but most people don't understand that 90% of the work relates to other roles in protecting children. Supervision and support of children in their homes or in the homes of kin families: These are the mainstay of the service system and have grown in importance over the last five years. This is work that alleviates risk and prevents admission to care or prevents apprehension of children. It is labour-intensive, difficult and skilled work. It is teamwork, it requires excellent clinical judgment, and done well, it protects children and avoids cost. The work is essential, and in today's economic climate it is even more critical that our CASs are fully supported to do this work.

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We're fully aware of the current crisis in the economy, and we are very worried about how this will increase risks to children. You may ask, how will it increase risks to children, and what has that really got to do with child protection? There is a direct relationship. Imagine a plant worker living through months of debate about whether or not the company will downsize or close. There's family stress from that. The announcement comes. There's more stress. The jobs are gone. The frustration and humiliation of applying for EI, then the expiry of EI, perhaps having to leave the family home, then welfare—all of this creates stress on parents and on children and creates more need for child protection involvement in families.

In children's aid societies in the north, where mills closed in the last few years and primary employers left town, we've had a reported 45% increase in child protection calls. In Windsor, we're already seeing a 13% increase in referrals about child protection. Economic stress, poverty and social-assistance dependency have a direct impact on the ability of a family to care for children, and our CASs see this every day. Research also supports it. So we know there will be a significant increase in the need for protection services as the economy struggles.

I'd ask you to turn to page 6 and just have a quick look at some of the facts about the CAS system. The service statistics are there. I won't go over them, but I would like to highlight some facts about the 9,250 children who are crown wards, and these are children for whom the province of Ontario is the permanent parent: 68% of these children have a special need—they may be ADHD-diagnosed, autistic, or they may have developmental disabilities; 93% of these crown wards have behaviour problems; 20% are suspended from school; and 17% are a risk to themselves or others. These children require a lot of support.

I want to address a recurring question, a question that's often asked of us and I'm sure that's asked of you: Why are the costs of child welfare growing while caseloads are declining? We've tried to explain this in the document on pages 6 through 10, and I'll point to the highlights.

The crisis in child welfare in the late 1990s, with the systemic inquests into the deaths of children in the child protection system and the report of the Child Mortality Task Force, led to major changes intended to increase caseloads and costs, and they did. As the major legislative changes broadened the categories of risk, we saw emotional abuse and neglect being added to the legislative requirements, and the costs of service increased.

The system levelled off a little bit in terms of the numbers by about 2003-04, but the costs didn't start to decline when the caseloads levelled. Staffing costs rose, more staff were needed, more qualified staff, and collective agreements also had an impact.

Administrative demands increased very, very significantly. I'll speak to this later, but suffice it to say that in 2006, the introduction of 12 new standards, 18 directives and 200-plus service substandards, and mandatory reporting on all of these, has cost the system a great deal in staffing time.

As you know, in 2006 we changed the legislation again, and the transformation agenda began. One of the important impacts of that agenda was trying to have fewer children come into the care of children's aid societies and rather be served by other parts of the service system. As the transformation agenda has worked—and we believe it has worked—there are fewer children in care, but there are more children in services such as kinship care. Here we're not dealing with less of a family issue but sometimes more, because these cases are more complex. They're the same high-risk cases but they're multigenerational; they often involve more than one potential parent and there's extensive time required to find family members, to make sure that there's proper follow-up, to make sure that reference checks are carried out and to meet with everyone involved. These cases need ongoing monitoring and recording, and while the kin option is often best for children, it does require more time. Part of the cost relates to that administrative burden that I've also mentioned.

I want to quickly run through the recommendations. They begin on page 11; we have 11 of them as well.

I'll begin with the debts that children's aid societies are carrying. During the last three years there has been underfunding for children's aid societies, and mandatory child protection services are now carrying $16.7 million in debt. Community-based boards are very concerned about this, because they serve on a voluntary basis as the delivery agent. We would ask for your commitment on the past debt and also your commitment to provide future resources as needed as we move through the economic crisis.

On kinship, we ask for this service to be fully funded based on volume and we also ask for the resources for community partners.

First Nations: I regret to talk about this again, because we talked about it last year in our submission quite substantially. There is a $25-million gap for the two most northerly agencies, Tikinagan and Payukotayno. We know that the Auditor General of Canada has commented on the issues in federal funding, but we're faced with a dilemma. INAC reimburses actual costs for services for status Indians on reserve, but we also hear that INAC doesn't provide adequate funding. So what's the story? We seem to be caught in a scenario of "It's not us; it's them." So we ask the government of Ontario to include the full costs of necessary services in Ontario to pursue the federal government for the costs that they are owed through the 1965 Indian welfare agreement.

We also ask you to support a third-party study of the costs of providing services in both official languages, as is required by law, and fund the gap. The French-language service issue is one we've spoken to previously.

For youth, we ask that the youth recommendations that we have put into the report about financial and emotional support be addressed and that changes to age limits be implemented into policy for youths staying in home-based care until they can finish their education, particularly their high school education; for medical, dental and vision care; and for access to specialized services not available through CASs and other community agencies.

On adoption, we ask you to consider ongoing adoption subsidies as part of child welfare funding. We think that this is an important way to speak to some of the needs of the 9,250 crown wards.

We also ask that the government work with the OACAS and the Foster Parent Society of Ontario to develop strategies to improve the recruitment of foster families. We think that this is an opportune time to do something, as families are looking to perhaps strengthen what they can do in communities, and we do think that some public outreach would be important.

We ask for a consistent approach so that children who are aging out of care and are awaiting placement in the adult system can be appropriately served, and that the services be funded. This is another recommendation we spoke to in previous years.

I referred earlier to the administrative burden that our societies are facing. We ask that no new administrative requirements be added at this time until existing ones have been reviewed and reduced appropriately.

With respect to infrastructure, we ask that the government support the rollout and implementation of a single information system for child welfare. This is something that has been spoken to in previous presentations as well. We have now proof of concept for this type of system; we understand that the business case will be presented by the Ministry of Children and Youth Services this year.

Finally, we ask that the child welfare agencies, the children's aid societies in this province, be granted fair access and reasonable resources to capital funding as they require it.

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That's our presentation this morning. I'm sorry if I've just galloped through it, but I think there's sufficient material in the document so that you can refer to it.

The Chair (Mr. Pat Hoy): And thank you. This round of questioning goes to the government.

Mr. Jean-Marc Lalonde: Thank you, Mr. Chair, and thank you very much for giving us all this very, very important information that we have received today.

You mentioned, in the French-language capacity to serve, there are seven agencies that are providing the bilingual services, and I'm in one of them.

Ms. Jeanette Lewis: Yes, you are.

Mr. Jean-Marc Lalonde: You say they are facing numerous challenges. Can you tell me what the challenges are, even though you mentioned some of them in there?

Ms. Jeanette Lewis: Well, certainly, because they must provide services in both languages, they need to have a full staff of bilingual workers. Other—

Mr. Jean-Marc Lalonde: They already have that in place.

Ms. Jeanette Lewis: Yes, but they do need to have materials translated. They particularly need to be able to support families through court.

I guess the other thing that the director in your particular jurisdiction has referred to so many times is that when a family is dealing with the kinds of difficulties that our families are dealing with, they need to be able to confide in a worker in their own language, because these are very intimate problems. When families are talking about the most intimate things, things that are closest to their hearts, they usually use their first language. In this province, we do have the French Language Services Act, and these families are entitled to use that.

Our agencies that must provide services in both French and English in the designated areas are all struggling with the need for translation and the costs of translation.

Mr. Jean-Marc Lalonde: I always question when they say, "We need bilingual staff." I would say they're all fully bilingual—better than I am, very often.

The only sector where I thought there would be additional funding required is for the translation of documentation that they have, if not to find families—because most of them really do speak both languages down there. What would be the cost to translate all documentation that needs to be translated?

Ms. Jeanette Lewis: We had a study done—I believe it was in your area—and they had some very, very high figures. I do think this is something that somebody who is an objective third party needs to take a look at and resolve once and for all, and put those funds into place in those agencies. Then maybe we can stop talking about this recommendation every year.

Mr. Jean-Marc Lalonde: Thank you.

The Chair (Mr. Pat Hoy): And thank you for your presentation. We are recessed until 1 o'clock sharp.

The committee recessed from 1205 to 1300.

ONTARIO FRUIT AND VEGETABLE GROWERS' ASSOCIATION

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. Our first presentation of the afternoon is from the Ontario Fruit and Vegetable Growers' Association, if you'd come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning, and if you'd just identify yourselves for the purposes of our recording Hansard.

Ms. Brenda Lammens: Thank you, Mr. Hoy. My name is Brenda Lammens and I am the chair of the Ontario Fruit and Vegetable Growers.

Mr. Art Smith: And I'm Art Smith. I'm the CEO of the Ontario Fruit and Vegetable Growers.

Ms. Brenda Lammens: I do have a visual here—I hope that you can see it—outlining the many different types of cropping and labour that we're involved with at the fruit and vegetable growers, or that we represent.

I want to thank you for the opportunity to make this presentation today. My name is Brenda Lammens and I'm the chair of the Ontario Fruit and Vegetable Growers. The OFVGA is the official voice of Ontario's 7,500 fruit and vegetable growers. Our fruit and vegetable farmers have combined sales of $1.1 billion annually, most, if not all, of which flows back into the Ontario economy. Additionally, they create more than 30,000 on-farm jobs and countless other jobs throughout Ontario.

In the spring of 2007, Premier McGuinty announced the Ontario government's war on poverty, a most noble cause indeed and one that our farmers wholeheartedly endorse. Unfortunately, Ontario's fruit and vegetable farmers and the benefits that they bring to the province have become the unintentional victims of this war. Today, I am going to speak to one issue, one that is so important that if not addressed, it will most surely mean the end of Ontario's fruit and vegetable farm sector as we know it today. This is the issue of the minimum wage increases.

In January 2007, then Finance Minister Greg Sorbara stood in the Legislature and said that a move to $10 an hour for minimum wage would cost Ontario 66,000 jobs. However, in March 2007, and as part of the war on poverty, Minister Sorbara announced a move not to $10, but to $10.25 an hour over three years. This 29% increase is too great and too fast for horticulture to adapt. Let me be clear: We commend the Premier for the war on poverty, but our growers do not want to become an unintended victim of it.

Professor Morley Gunderson, the CIBC chair in youth employment at the University of Toronto, prepared an extensive paper on minimum wage issues and options for the Ontario government. Among other things, he wrote: "While curbing poverty is a legitimate social goal, using minimum wages to curb poverty places the onus on employers to deal with a social issue the costs of which should be shared by society in general."

Professor Gunderson ranked those businesses most impacted by the minimum wage increase. They are, in order: (1) accommodation and food services; (2) agriculture; (3) wholesale or retail trade; (4) business building and other support services; and (5) information, culture and recreation. Gunderson made it very clear that, "Minimum wages place the onus on a small subset of employers to deal with legitimate social issues the costs of which should be shared by society in general."

The Ontario government listened to some of what Professor Gunderson said, recognizing that society needs to participate in the cost of this regulation. It recognized that it was not fair to download onto the backs of a few for that which is deemed to be a societal benefit. The government's answer was to reduce the business education tax by $540 million over a seven-year period. This was very clearly done to give employers time to adjust, but that did nothing for agriculture, as agriculture did not participate in this tax.

Gunderson's list of the five most-impacted industries can be broken down into two types of businesses: those who can pass on their additional costs and those who cannot. The service sector in Ontario, from coffee houses to restaurants and other service providers, can all pass these costs on to the consumer; they are price-setters. Horticulture cannot; it is a price-taker. Fruit and vegetable producers in Ontario compete with farmers and suppliers from other countries such as Chile, Peru, China, Mexico and the USA. These are producers who do not have the same input costs that our growers have and certainly not the same labour costs. The availability of fresh imported produce throughout the entire year sets the price in our market. There is no mechanism for our growers to integrate these additional costs. They will be forced to absorb these costs until they go out of business. Let me repeat: Our farmers are price-takers; they have no mechanism to recover these additional costs.

As mentioned above, the service sector that can claw back these price increases from the consumer also enjoys the business education tax holiday, while our fruit and vegetable producers must absorb labour costs and receive no tax break whatsoever.

How big is this issue? For the livestock and the grain and oilseed sectors, this increase in wages is relatively meaningless, as labour is a minimal cost in these sectors. But to the horticultural industry, it is far more significant. In much of the fruit and vegetable sector, labour makes up the greatest annual expense.

I quote statistics from the Ontario Ministry of Agriulture, Food and Rural Affairs: For tender fruit growers, prior to this minimum wage increase, labour made up approximately 65% of the annual variable expenses. To the fruit and vegetable industry overall, it is projected that the minimum wage increase will mean a minimum 20% increase in arm's-length wages to the industry. This represents an increase of some $70 million annually. The industry, as I mentioned earlier, is $1.1 billion. What we are talking about is a new cost, without benefit or offset, equal to 6% of the farm gate value in Ontario. Given many other competitive pressures, the minimum wage increase may well be the single most important factor in forcing many fruit and vegetable farmers out of business, or, worse yet, into bankruptcy. The only question left is, who will be lost?

I suggest that it will force the largest 20% of growers out of business because they are the ones who create the majority of the 30,000-plus jobs already mentioned. These are the farmers who produce 80% of the fruit and vegetables grown in Ontario, the very ones encouraged to produce local produce on environmentally sustainable family farms. We are talking about second- and third-generation farmers who have proven business track records.

But it does not stop there. Spinoff jobs in rural Ontario will be lost, manufacturers of cartons and containers will go out of business, and processing facilities which are already struggling will close, causing more job losses. Consumers in Ontario will lose access to homegrown produce supervised under domestic food regimes and we will become totally dependent on foreign produce to feed our citizens.

By now, many of you may be questioning my comments and perhaps my sincerity, but I can assure you that I am not exaggerating.

Last but not least, there are other implications to government policy. Across Ontario, all farmers can participate in a safety net program known as AgriStability. This is a program designed and implemented by the federal and provincial governments to assist farmers when prices drop or costs increase. It is designed so that when the difference between a farmer's historical farm income and historical farm expenses decreases, the program kicks in and the farmer is paid a portion of the difference. While this works well for the first two years, after that the payments decline rapidly until it reaches the point for most that there will be no payment under AgriStability. This is a classic case of one government program undermining another program set up to assist farmers in times of need.

Finally, produce prices are always lowest in our local season. They go up when there is no local supply. Any loss of local supply will inevitably mean higher food prices for all, a fact of life particularly hard on those people for whom the minimum wage was increased in the first place. This will prove to be counterproductive to the intent and the goal of the Premier's war on poverty.

What our sector needs if we are to survive is a risk-management program not unlike that granted to the grains and oilseeds sector in the summer of 2007 by the Ontario government. While a risk-management program is not the total answer, it will allow our farmers time to adjust and it will slow down the negative impact of declining AgriStability payments. Of most importance, Ontario society benefits when there is a vibrant local farm sector providing healthy, nutritious fruits and vegetables at competitive prices to the consumer. We have the value food chain to deliver the product; now we need the policy to protect it.

We appreciate the opportunity to present the perspective of Ontario fruit and vegetable growers. We are passionate about our industry and we are passionate about sharing the wealth of our province. We look forward to working with the provincial government on a strategic plan that supports agriculture and the health of all citizens, and prevents Ontario's fruit and vegetable farmers from becoming the unintended victims of the Premier's war on poverty.

Thank you very much, and I look forward to your questions.

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

Mr. Ted Arnott: Thank you very much for your presentation. I've been aware of this issue for some time. One of your past presidents, Jeff Wilson of Birkbank Farms Ltd. near Orton, is someone who lives in my riding. I've known him for years, and he told me the impact that this minimum wage increase would have on his farm business. Certainly, that's one example of the situation that we're facing, and you've given us some of the aggregate numbers of what this means. I gather you need immediate action from the government. You need it in this budget, not next year?

Ms. Brenda Lammens: That's right. We've already gone through the first year of the increase, and the harm that it's doing has become very evident very quickly. In many of our operations, we're already paying above the minimum wage, but when you increase the lowest person on the totem pole, inevitably you have to give the increase to the people who have been with you and are being paid at that higher rate. So it's not all about the $10; it's about what we're paying at $13, $14 and $15 to keep our labour force, which is certainly becoming harder and harder to do in horticulture.

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The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: Ms. Lammens, thank you very much again for your presentation. Mr. Smith, good to see you again as well. You make some excellent points. I particularly appreciate the cascading nature of the minimum wage. It means labour costs go up extensively, and you estimate that the cost of labour for most food and vegetable growers is 65%?

Ms. Brenda Lammens: Yes.

Mr. Art Smith: That's on tender fruit.

Mr. Tim Hudak: On tender fruit. And that would be among the high end on any of the commodities?

Mr. Art Smith: Tender fruit would be the highest and, according to OMAFRA figures, it represents 65% of the annual variable expenses. On the low end of that in horticulture it's potatoes, and that rate is about 25%.

Potatoes is a mechanized crop from seeding time to harvest time, as opposed to peaches, which are pruned by hand, thinned by hand, picked four or five times by hand, put in a basket by hand. There has never been any major innovation in terms of being able to do that mechanically as there has been in cherries, as an example.

Ms. Brenda Lammens: And as an asparagus grower, I can certainly vouch that every spear of asparagus that is cut is cut by hand. So it's extremely labour-intensive and, as with tender fruit, there is not a mechanism in place to harvest it without damaging it.

Mr. Tim Hudak: And there's about a 29% increase in labour costs to the horticulture sector. What's the comparable minimum wage in some of your competing jurisdictions?

Mr. Art Smith: We had done some work, and I'll just have to find that. The figures I'm going to read to you—you have currency differences, okay? What Professor Gunderson had done in his work also looked at what competing nations pay. So the number—don't think of it in terms of a dollar, think of it in terms of a unit cost, okay?

In Brazil, which we are starting to import more and more from, we're at 3,130 units, and in Canada, for example, we were at 14,440 units. So we were four times more expensive. That 14,440 moves up to about 18,050 after the full implementation. So think of Canada at 18,050; Brazil at 3,130; Chile at 4,831; Republic of China at 5,700—China, no minimum wage; Mexico at 1,658; and the United States at 12,000. So we're 50% higher than what the US was when this was written a year ago. It's huge. It's absolutely huge.

Mr. Tim Hudak: Do I have time to—

The Chair (Mr. Pat Hoy): A minute.

Mr. Tim Hudak: Maybe, Mr. Smith, you could supply that to the clerk of the committee. It's not part of our packages. If you have the chance to do that, we would appreciate that, later on.

Mr. Art Smith: I will do that.

Mr. Tim Hudak: You mentioned that your suggestion is a risk management program similar to that offered to the grains and oilseed sector. How would that work, particularly for the tender fruit and vegetable industry?

Mr. Art Smith: It's certainly more complicated, because in the grains sector you only have half a dozen crops; they're commodities and you can look on the Chicago mercantile and get the price at any given time.

In our case, that's not quite possible; however, that doesn't mean it's impossible either.

The RMP program does not look at you or any of us as an individual grower; that's what the AgriStability program, the old CAIS program, did. It looks at the returns on average by the industry, and at the costs, again, on average for the industry. So it pulls out the most efficient, it pulls out the least efficient, and it looks at that centre section. It's an insurance-type program; it would be premium-based. Growers would pay into it as they do in the G and O sector. If the price comes down or those costs go up beyond a trigger point, then it pays out to a specific number of dollars. The grower could choose whether he wanted 70% coverage, 80% coverage or higher. Then the premiums, of course, go up. Like insurance of any kind, if there's no claim, those dollars stay in the program.

That's the way it is in the G and O sector, and we're proposing something similar here. Total cost on the field growing alone is anticipated to be about $30 million, but that would change. That could change at any given time.

Mr. Tim Hudak: Is that shared cost or provincial cost, the $30 million?

Mr. Art Smith: No, that would be provincial.

Ms. Brenda Lammens: Just as a footnote to that, we had a staff member from OMAFRA seconded to the fruit and vegetable growers for a six-month period to work with us to help develop a risk-management program. That secondment ended as of the end of October. We have the basis of a program there; now we need the support and the finances to help push this program forward. We've got our groundwork done; we just need some help getting it up and running.

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

Mr. Art Smith: Thank you.

Ms. Brenda Lammens: Thank you very much.

The Chair (Mr. Pat Hoy): Now I'd ask the Oak Ridges Moraine Foundation to come forward, please.

Mr. Tim Hudak: Chair, if I could, just in the last presentation, Professor Gunderson's report was almost two years ago; I remember it at the time. It might be interesting, in light of the presentation we had, if Mr. Johnston had a chance to get members of the committee copies of that report for our consideration.

The Chair (Mr. Pat Hoy): We can do that.

Mr. Tim Hudak: Thank you.

Mr. Michael Prue: Do you want the whole report or just the recommendations? The recommendations would do for me.

Mr. Tim Hudak: It wasn't that thick.

Mr. Michael Prue: Wasn't it? I don't know; I'm trying to remember.

Mr. Tim Hudak: Maybe Mr. Johnston can get back to us on how massive it is. I remember it being relatively brief.

Mr. Michael Prue: I don't need 100 pages, but I wouldn't mind one. Okay?

Mr. Tim Hudak: He could let us know what it—

The Chair (Mr. Pat Hoy): We'll use some judgment there, perhaps.

Mr. Tim Hudak: Yes.

OAK RIDGES MORAINE FOUNDATION

The Chair (Mr. Pat Hoy): Now we have the Oak Ridges Moraine Foundation before us.

You have 10 minutes for your presentation; there could be up to five minutes of questioning. I'd just ask you to identify yourself for Hansard.

Ms. Kim Gavine: Kim Gavine.

The Chair (Mr. Pat Hoy): You can begin.

Ms. Kim Gavine: Thank you. My name is Kim Gavine and I am the executive director of the Oak Ridges Moraine Foundation. Thank you for allowing me the opportunity today to participate in these very important deliberations. We respect the task before you in overseeing the good management of both our economic and environmental capital and resources.

It has never been a more important time to ask ourselves, "How do we invest taxpayer dollars and generate the greatest benefit?" The decline in many sectors with the loss of jobs and weakening of the economy concerns all Ontarians.

As I'm sure you have heard from others, in adversity is often found opportunity, a statement I do agree with. But we must be careful not to be forced to make a false choice between the economy and the environment. Today, I'd like to share with you an example of a provincial environmental initiative that serves as a model for earning significant environmental dividends without compromising the integrity of the economy.

In 2001, the government consulted widely on how best to protect the Oak Ridges moraine. The outcome was a package of strategies, including creating legislation, the Oak Ridges Moraine Conservation Act; a conservation plan, the Oak Ridges moraine conservation plan; and a delivery agency, the Oak Ridges Moraine Foundation. Each aspect received full-party support.

The Oak Ridges Moraine Conservation Act and plan came shortly after the tragedy in Walkerton, where seven people died and more than 2,300 people became ill. Much of the impetus behind the creation of the Oak Ridges Moraine Conservation Act and plan was the realization of the value of safeguarding the Oak Ridges moraine and the headwater aquifers which are the source of drinking water for millions of Ontarians.

The foundation was formally created on March 11, 2002, and began operations with an initial grant of $15 million from the Ontario government. The foundation's goal is to preserve, protect and restore the environmental integrity of the Oak Ridges moraine. Since that time, the foundation has allocated a total of $13.2 million to 152 projects and has leveraged an additional $33.5 million through private, public and in-kind contributions, making the total impact of projects worth close to $47 million. In summary, for every $1 that we were given at the outset, we have deployed more than $2 for on-the-ground conservation.

An underlying theme of your committee's mandate is, "How can the Ontario government work more effectively with other levels of government and other key partners during these challenging economic times?" It may seem simplistic, but the answer is "partnerships." The foundation has a proven track record of demonstrating the effectiveness of partnerships and the dollars that can be extended by working together. As I mentioned a moment ago, each provincial dollar invested through the foundation is resulting in at least two more dollars invested by committed partners.

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With our partners, more than 5,500 acres of ecologically significant lands have been protected through acquisition, donation or conservation easements. Close to 1,000 acres of land have been restored through tree planting, stream rehabilitation, wetland enhancement and prairie restoration. More than 85,000 landowners, or one third of the population of the Oak Ridges moraine, have been contacted, educating them about the importance of this vital landscape, and more than 4,600 students have been educated about the importance of the moraine and protecting water at its source.

Yet despite the accomplishments achieved to date, the review of the Oak Ridges moraine conservation plan is still seven years away, and much work remains to be done to implement the goals and objectives of the plan. Ironically, the foundation's last grant dollars were committed just last Friday.

It is our collective responsibility to complete the work outlined in this provincial plan. We believe that provincial investment through the foundation supports Ontario's environmental agenda and is a responsible fiscal approach.

On August 3, 2005, Premier McGuinty announced the natural spaces program and its plan to protect green space by supporting the efforts of private landowners to preserve and restore natural areas on their property. The foundation is directly helping landowners by giving our stakeholders the opportunities to meet face to face with these landowners and provide them with the necessary technical and funding assistance to steward their properties.

The work of the foundation also builds on this government's greenbelt initiative by providing a greener environment and healthier communities.

Our work also supports recent tasks by your government to map Ontario's tourism future. One of the moraine's key benefits is its proximity to one of Canada's largest populations and its many built, natural and cultural interests that can be enjoyed.

The work of the foundation also contributes to the goals of the Clean Water Act by stopping contaminants from getting into the sources of drinking water. By securing the headwaters and areas of high aquifer vulnerability, we are reducing the need for and additional cost of more water treatment plants.

We recognize that these are difficult times and that we are competing with other worthy causes. Nonetheless, we hope that you share our concern that there is very real danger that important conservation work on the moraine may go unfinished. All of our efforts in developing partnerships, protecting land and educating young people should not be lost.

The foundation has a proven track record. We are accountable, transparent and have leveraged the taxpayers' dollars by more than a 2-to-1 ratio. The Oak Ridges Moraine Foundation is an exemplary model for effective government spending in meeting its environmental agenda, especially during these challenging economic times.

Much has been accomplished over the last six years, but if the successes are to be sustained and the moraine's vital ecosystems protected, much more work remains to be done. The foundation is well positioned with its partners to meet these challenges.

In summary, this government's first responsibility should be to protect the quality of life of those it governs. Our health, economy and environment are inseparable.

Thank you very much.

The Chair (Mr. Pat Hoy): Thank you. We'll hear from Mr. Prue of the NDP.

Mr. Michael Prue: You stated that the last foundation grant has now been spent.

Ms. Kim Gavine: Yes.

Mr. Michael Prue: I would take it, therefore, that there is no money left for future ones. You have not put a dollar figure or any amount that you're asking. This is the finance committee; we need something.

Ms. Kim Gavine: Yes.

Mr. Michael Prue: What are you looking for?

Ms. Kim Gavine: Our first request to Minister Bradley, who is the minister that we do report to—we had asked for $15 million to take us through to the plan review in 2015. More recently, we went back with a second request, asking for $3.5 million over the next two years.

Mr. Michael Prue: All right. So what you're looking for in this budget, then, is half of $3.25 million.

Ms. Kim Gavine: It's $3.5 million over two years.

Mr. Michael Prue: Okay, so you're looking at $1.75 million in this budget.

Ms. Kim Gavine: Correct.

Mr. Michael Prue: All right. And that will be sufficient? It's a relatively small amount of money. It may sound huge, but in terms of a budget of $100 billion, that's not—

Ms. Kim Gavine: It's not a lot.

Mr. Michael Prue: It's not. Would that be sufficient for you to accomplish all of the goals that have been set out?

Ms. Kim Gavine: At this point, no, but it would allow us to sustain the momentum that has been created by the partners who are working on the Oak Ridges moraine and to carry through some of the good work that has been started over the last six years.

Mr. Michael Prue: And what would be the amount for you to do it the way you want to do it?

Ms. Kim Gavine: Fifteen million.

Mr. Michael Prue: Right away?

Ms. Kim Gavine: Yes.

Mr. Michael Prue: Okay. I think that's all of my questions.

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

Ms. Kim Gavine: Thank you very much.

HALDIMAND FEDERATION
OF AGRICULTURE

The Chair (Mr. Pat Hoy): And now I would ask Niagara College to come forward, please.

Interjection.

The Chair (Mr. Pat Hoy): Haldimand Federation of Agriculture.

Good afternoon, gentlemen. You have 10 minutes for your presentation. There could be five minutes of questioning. I would just ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Wayne Nyomtato: Thank you very much.

Ring tone sounding.

Mr. Tim Hudak: That was to serenade you.

Mr. Wayne Nyomtato: Thank you very much, and we appreciate the invitation. My name is Wayne Nyomtato and I am the president of the Haldimand farmers Federation of Agriculture. I will defer to my colleague on my left, Mr. Frank Sommer, who is the chairman of our financial committee.

Mr. Frank Sommer: Thanks, Wayne. Again, thank you, Mr. Chairman, for the opportunity to bring up some of our farmers' concerns to our honourable provincial representatives. I'm just wondering if I really should skip the niceties and the introductions and go right to the heart of the concerns that we're here for.

I guess, to summarize, my greatest fear is just that there are so many demands on our governments and so many pressure points in the economy right at the moment that the farm community will be left out of the considerations for the coming year. We are fully aware, of course, of the limitations on all our governments, both in terms of revenues and in terms of demands, and that it is going to be very difficult to live up to the expectations that the general public has.

Our organization represents farmers, and we've been in business for over 60 years now. Our main concern, of course, is the welfare of the farm community. It's somewhat disconcerting that the global economic crisis is receiving so much recognition while the notion persists, at least for the popular press, that the farmers are riding a crest of prosperity.

Interestingly, just a week or so ago, Statistics Canada came out with some of their figures. Now, they are not for 2008, but they highlight what happened between 2002 and 2007. It shows that the year 2007 showed a negative income of $101 million. I've never been able to quite get my mind around a negative income; I guess it's economic speak for working at a loss.

It was only a few months ago that we were riding a crest of optimism in the farm community, and the early expectations for 2008 have just been virtually extinguished by the news of now-collapsing grain prices. Corn and soybeans are holding up quite a bit just yet, and that, of course, keeps the pressure on beef and pork prices. But at least for the grain producers, they're still getting a reasonable return for corn and soybeans.

However, high input costs for supplies that are already in the pipeline are going to either have to be passed on to the farmer or absorbed by our suppliers. In either case, we predict that the pressure on farmers' lines of credit next spring will be very, very severe, with current prospects and input prices that are already embedded in the retail prices that we are looking at now.

At the same time, the statistics released last week show a decline—this is on farmers' population trends, and it looks at the average ages of the different farm populations. What really disturbs us is the sharp decline, since 2002, in the under-35 age group. It shows that this sector is declining instead of increasing. The below-35 age group now consists of fewer than 8.6% of the farm population. We urge the Ontario government to take a really good look at all avenues to facilitate young farmers entering into the industry. One of the measures that you might consider, among others, I am sure, is to forgo land transfer taxes for young farmers entering into the industry.

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The livestock industry is still under great stress and we fear for its survival in Haldimand county. While on the one hand the decline of the Canadian dollar can be seen as a positive, the US legislation under the COOL program threatens to seal off the border for Canadian products—perhaps not; that's too strong a wording. But it definitely is impacting the dollars that Canadian farmers can expect for their livestock.

We recognize the role of government in helping the farm community over the last years, and we're counting on the Ontario government to not abandon the farm sector when seemingly every corner of the economy is stressed as never before.

One of the measures that perhaps could help us is helping out some of the small abattoirs in our area to live up to the increasingly tough health and safety regulations. We have no qualm with them, but unfortunately a lot of the small farmers or small processors are out of business. We suggest that grants for upgrading small abattoirs may be one option to keep these essential entrepreneurs in business.

Recent unexpected changes to the deadstock disposal act—again, it rightly puts more emphasis on the proper disposal of deadstock. On the other hand, we have to regain and retain public confidence so that everybody is comfortable with the way deadstock is being handled. With BSE, bird flu and other threats to health, the provincial policy has to be proactive and we feel it needs to be involved on an ongoing basis. On the other hand, of course, the cost of additional paperwork to remain in compliance places an additional burden on the producer.

We applaud the recent emphasis on farm added value and the move to promoting locally produced food. We caution, however, that the farmer already has to be skilled in many crafts in order to survive. Additional expectations of also being a retail merchant may be a daunting challenge for many. The concentration of retail food giants has all but eliminated the corner grocery store. Will the farmer himself now have to fill that void? While fads such as the 100-mile diet may seem attractive at first glance, we feel that sustained prosperity for the larger farm community may be a far-off dream.

One more point is that it's been pointed out to us that rural infrastructure is about more than just roads and bridges. Recently—actually, two years ago—a number of wind turbines were installed in the Dunnville area and they've been idle because of a lack of electrical infrastructure to accept their production.

We applaud the Ontario government's assistance to bring high-speed Internet to the rural areas. The lack of access to high-speed broadband Internet leaves rural dwellers at a disadvantage for communication and educational opportunities. The current Rural Connections broadband program has been successful in selected areas by filling the gaps of what is quickly becoming an essential service.

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

Mr. Frank Sommer: Thank you, sir.

We urge an aggressive approach to accelerate this four-year program.

These are just some of the issues simmering just below the surface where the Ontario government could possibly assist the rural and farm community. By looking for economies of scale by growing more acres, implementing newer technology in order to cut costs and switching to lower-cost feed, many are caught in a trap. Cutting back on essential inputs is not an option. Switching crops is also not an option when locked in a sustainable crop rotation. Farmers have no choice but to produce again next year, regardless of prospects for loss or profit. Closing the plant for a few months is definitely not an option.

In conclusion, we appreciate the support for agriculture from the Ontario government in the past. Many programs, such as crop insurance and income supports, while not guaranteeing prosperity, have at least provided a possibility of survival. The economic forces buffeting markets worldwide have replaced the unprecedented optimism of just a year ago with apprehension for the coming year. We sincerely hope that we can count on the Ontario government to remain a trusted partner. Thank you.

The Chair (Mr. Pat Hoy): And thank you. Questioning will go to the government. Mr. Lalonde.

Mr. Jean-Marc Lalonde: Thank you very much, Mr. Sommer, for taking the time to inform the committee on the position of the farmers. At the present time, we know, according to your data here that you have given us, that there are less and less young families taking over or staying on the farm.

Mr. Frank Sommer: It is becoming more and more difficult, indeed.

Mr. Jean-Marc Lalonde: More difficult. Could you tell us the reason for that? That is my first question.

Mr. Frank Sommer: The capital intensity of modern farming is one scares off a lot of young—they have to start out with a tremendous debt load in order to make a go of it. That would be one obvious concern.

Mr. Jean-Marc Lalonde: I would think also that young people are getting a better education. When they graduate from colleges or universities, they don't, very often, go back on the farms. This is why there are 10% more people of 55 years and older who are on the farms. What I found out before is that sometimes, the parents would like to pass on the farm to their children, and knowing that they have to work seven days a week and cannot afford to be sick, and—you also touched on a point at the beginning, the fact, also, that to be able to compete, you have to come up with the new technology. Most of the farmers are in debt right over their heads and they cannot enjoy their life anymore, knowing that their friends are enjoying the weekends and those on the farm cannot.

But I believe that the government was pretty good with risk management, and also Agricorp, according to the information I was just reading on the way in on the bus. Agricorp was very pleased. They received the payment on time this year, but there are less and less farmers. What I'd like to know is, has the acreage increased per farm, when you compare that with 10 years ago?

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Mr. Frank Sommer: Definitely. The tendency is towards larger acreages, especially in the crop production areas. There's a trend towards larger acreage; I haven't got the statistics for that. It would be interesting to research that, for sure, but my gut feeling is that, even in Ontario, there's a consolidation of acreage into larger units.

Mr. Jean-Marc Lalonde: Yes, the information that I got is that the number of farmers has decreased, but the acreage has increased an awful lot. Like you say, especially if we are going towards—

Mr. Frank Sommer: The acreage per farm, absolutely.

Mr. Wayne Nyomtato: That should be read as a farm enterprise; it may not be necessarily per farm. I'd like to make that point.

Mr. Jean-Marc Lalonde: I'm fully behind family farms.

Mr. Wayne Nyomtato: As are we—probably the last jurisdiction that still is.

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

Are the representatives of Niagara College in the room? Then we'll go to the Canadian Union of Public Employees, Ontario division. Come forward, please.

Mr. Tim Hudak: Chair, on a point of order: just on an issue I want to bring up. I want to thank Mr. Nyomtato and Mr. Sommer for their presentations. Under the rotation model, originally, because Niagara College didn't show, we had questions, and their MPP, Toby Barrett, had some suggested questions he wanted to ask. He sends his regards. He had a conflict and couldn't be here today.

I just want to bring up the rotation model. I'll discuss it with my colleagues as we travel. But it has been the experience of Mr. Arnott and I, when we speak to groups afterwards, the impression is given that the other parties—one party gets to ask questions; the other parties give the impression that they had no questions to ask and may not have an interest, which we know is not the case.

Perhaps, as we do the rotation model, for the time being, Chair, if you could maybe indicate at the beginning which group is asking all of the questions; therefore deputations know that's the process and they don't think the other two parties have no questions for them whatsoever. Just give some clarity, because unfortunately it has been the result that we talk to groups afterward and they wonder why we didn't ask many questions, and because of the rules we didn't have that opportunity.

The Chair (Mr. Pat Hoy): It is a point. What I have been doing all along, for some years now, is saying, "This round of questions will go to" the NDP, the official opposition or the government, but maybe I can somehow make it more clear each and every time they come up.

Mr. Tim Hudak: Thank you.

CANADIAN UNION OF PUBLIC EMPLOYEES—ONTARIO DIVISION

The Chair (Mr. Pat Hoy): Now we have the Canadian Union of Public Employees—Ontario Division. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that, from one party only. You can begin.

Ms. Susan Schmidt: My name is Susan Schmidt. I'm the chair of Ontario's Health Care Workers' Coordinating Committee, or the HCWCC.

CUPE's HCWCC is the voice of approximately 60,000 public service workers in Ontario, people who work on the front lines in hospitals, long-term-care facilities and other health provider organizations. We are RNs, RPNs, health care aides, personal support workers, caseworkers, technicians, cooks, assistant cooks, dietary aides, housekeepers, laundry aides, recreationists, rehab and maintenance workers. You will find us in every corner of the health care system.

The provincial budget has a significant impact on our members as residents and taxpayers, as service providers and caregivers, and as workers in the broader public sector. CUPE members have tremendous first-hand experience and knowledge to contribute in planning next year's provincial budget. We thank the Standing Committee on Finance and Economic Affairs for the opportunity to present our suggestions and priorities for the 2009-10 Ontario provincial budget.

There are many health care areas I could focus on during my time today, but I know you will be hearing from my colleagues from the Ontario Council of Hospital Unions, OCHU, later this week, focusing on hospitals, so I want to take this opportunity to talk to you about long-term care and home care.

Starting with home care: The government of Ontario should be applauded for its moratorium placed on the disastrous competitive bidding model throughout the home care sector, but we fear that the government may be moved to lift the moratorium and allow the degeneration of care that this model creates. We urge the government to completely ban competitive bidding.

The shortage of health care workers is very acute in this sector. Wages and working conditions must be brought up to par with other workers who provide the same service. Adequate compensation must be provided to workers who are driving hundreds of kilometres a day for little or no mileage, working 16 hours a day but being paid for eight or nine hours. Workers have no pension plan and few benefits. They rush from client to client without adequate support. The current situation is causing huge turnover rates, little continuity and much burnout among workers who work two or three jobs to make ends meet. The budget must include a plan to deal with this situation and begin to value this work.

If the government is serious about its aging-at-home strategy, then it must implement three basic policy changes: End competitive bidding in home care services; increase funding to this sector and remove regulatory restrictions on the amount of care seniors can receive in their own homes; and develop a workforce strategy for the sector that includes stable, full-time jobs, enhanced pay and benefits to attract and retain skilled workers.

Long-term care: You should all remember the Toronto Star series that exposed the brutal reality of conditions in Ontario's long-term-care homes. We should also recall then-Minister of Health George Smitherman crying on TV, promising a revolution in the sector.

My union, CUPE, and many other seniors, family, community and labour groups have been calling for the government to implement a minimum staffing level of 3.5 hours on average per resident per day, and the funding commitment to back it up. The government of Ontario claims that hours paid to long-term-care homes per resident is approximately three hours.

Firstly, reporting numbers to the public based on hours paid as opposed to hours worked is a complete misrepresentation of what is going on in long-term-care homes.

Secondly, a series of calculations at dozens of CUPE-represented homes in the province prove the hours of care per resident per day are well below three hours. In some cases, we found the numbers to be as low as 1.9 hours worked per resident. Staff-to-resident ratios showed one health care aide or personal support worker per 50 Alzheimer residents between the hours of 10:45 p.m. and 6 a.m.

Homes are implementing policies that call for residents to sit in soiled briefs until they are full enough to be changed. Products are being rationed. Our members have reported as few as two Attends in a 24-hour period per resident, and other members have provided photos of their product cupboards under lock and key. Trips to the washroom have become a long-lost luxury. Many residents have not seen a toilet in a long time. Sadly, toileting has become nothing more than a quick diaper change.

But we know that more money has flowed to the homes, and this has not translated into increased care. Where has the money gone? Why is nobody paying attention to the fact that, by the government's own numbers, bedside care has not increased except very minimally over the past several years, despite the funding increases?

Since the government was elected, funding for the nursing and personal care envelope has increased 19.25%, from $62.95 to $75.07, yet paid hours have only increased by 9.15%, from 2.612 paid hours to 2.851 hours per resident per day. Care need, however, increased at least 8.9%, with an average CMM climbing from 90.09 in the fall 2003 classification process to 98.13 in the fall 2007 classification. Given the probable increase in acuity since fall 2007, the increase in staffing hasn't even kept up with increased care need. Given the recognition that care provision was inadequate and needed a revolutionary improvement, the increase in staffing is wholly inadequate.

There is a universal consensus that funding must increase in the long-term-care sector. Even the government recognized this need when it endorsed the limited measures set out in the May 2008 report People Caring for People.

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The funding need for this sector is threefold: Increased funding is required to cover increased costs of providing existing hours of care. Increased funding is required to cover the increasing acuity experienced by residents in the sector. Increased funding is required if there is to be any reduction in the gap between resident care need and hours of care provided.

Coupled with the increase in funding is the need for more effective accountability mechanisms, ensuring that funding will be applied for the purpose approved.

The above data on funding increases and care hours demonstrate that it is inappropriate to increase funding without an effective mechanism to ensure that funding results in increased staffing. On December 10, 2008, the Premier, when speaking about a potential auto manufacturing bailout, highlighted the need for strings, conditions that had to be met to justify the funding increase, conditions which have to be enforceable. If enforceable conditions are appropriate when we are concerned with the effective use of public funds, then there must be enforceable conditions when we are concerned with protecting the vulnerable and the elderly.

This government recognized in October 2004, when it flowed its first funding increase to long-term-care homes, that there had to be conditions and that the conditions had to be enforceable. The condition for the October funding increase was that there had to be new net hours of care per day for residents from health care aides and PSWs as well as the new net hours of care per day for residents from registered staff, RNs and RPNs.

These requirements were reflected in the amended service agreement. While the service agreement was flawed in not specifying the amount of net new hours that had to be delivered, it was welcomed as an important first step. However, some long-term-care homes, while entering into amended service agreements, failed to live up to the requirement for net new hours. In fact, the operators reduced their hours of care to residents.

When front-line workers reported to the ministry that the service agreement was not being complied with, the ministry refused to take action.

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

Ms. Susan Schmidt: Okay.

The whistle-blower protection: Another priority for government funding for this sector, aside from improving hours of care, is funds to administer an effective whistle-blower protection system. Residents depend on the courage of individual employees to prevent abuse and to report it when it unfortunately takes place.

While Bill 140 talks the talk of prohibiting retaliation for whistle-blowing, it doesn't walk the walk. The federal legislation sets a proper direction to ensure that a whistle-blower has her day in court before she can be penalized by her employer. The federal legislation limits this protection to cases where the office for receiving reports from whistle-blowers decides to investigate the report. This protection should be created for all whistle-blowers.

Another priority for government funding is an adjudicative body that can hear appeals from residents, families and front-line staff where compliance advisers fail to ensure significant orders to operators who fail to meet the requirements of the legislation and the service agreements, and especially where the orders fail to remedy situations where residents are not receiving the care they require.

I could go on about the areas that require provincial funding to support this sector at many levels, but most important is the need for the minimum staffing standard care levels. We understand that Ontario is facing tough times, but we must continue to invest in the very people who built this province into what we enjoy today. Dignity for the people who rely on this public service does have to cost. The budget must provide funding for 3.5 hours of worked care per resident per day.

I thank you for the opportunity to present to you today, and we request that due consideration be given to ensure that long-term care and home care have the resources and accountability measures in place to provide dignity and respect to the individuals who rely on it. Thank you.

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

Mr. Tim Hudak: Ms. Schmidt, thank you very much for appearing before the committee and making the trip to Niagara Falls on behalf of CUPE. You've an excellent—

Ms. Susan Schmidt: I only came from Wainfleet, so—

Mr. Tim Hudak: It's a bit of a drive and there's no direct route. Coming from Wellandport myself, we could have carpooled.

I have a couple of questions for you. One issue that you didn't mention and I want to bring up is that our colleague Elizabeth Witmer has been promoting the rebuilding of the B and C long-term-care beds across the province. What's your position on that?

Ms. Susan Schmidt: We'd like to see them all stay public. In the document you will see that there are—that I didn't get to, because it was way too long—statistics over the kind of care you'd get in for-profit as opposed to not-for-profit and charitables.

Mr. Tim Hudak: But your position is, the B and C beds should be rebuilt; you just feel that they should be in not-for-profit homes only?

Ms. Susan Schmidt: Yes.

Mr. Tim Hudak: Okay. You mentioned the number of hours worked. The government's claim is three hours per resident per day—

Ms. Susan Schmidt: The government is saying "paid hours." I'm sorry; I don't know if I'm supposed to interrupt.

Mr. Tim Hudak: No, it's fine. That's exactly my point. So the government says "three hours," but you say that doesn't really count because that's paid hours; that includes lunches, breaks—

Ms. Susan Schmidt: That includes, "I'm on vacation and being paid and you're filling in for me." I'm not there, I'm not giving any care, but they're counting that money.

Mr. Tim Hudak: So the statistic isn't a real picture of what's actually happening.

Ms. Susan Schmidt: No, it's not.

Mr. Tim Hudak: In fact, you said that in some of your research you've found that the number of hours is as low as 1.9 hours per day per resident?

Ms. Susan Schmidt: Yes. I don't know what home that is. I can tell you that here in Niagara—and I know that some funding has gone into it—there's a home in Welland, and when we did the first calculation before any of the new funding came down, to get it up to 3.5 hours of hands-on care per resident per day, it would have been 17.25 eight-hour shifts needed to be put into that one home, which sounds totally outrageous, but if you break it down, there are four areas in that home. One staff per shift on each area, which isn't really a lot—there's 12 people gone, right there. That's 12 more people in the building to give the care that's needed to be given.

Mr. Tim Hudak: I also wanted to follow up on your point about the whistle-blower protection, that Bill 140 talks the talk but doesn't walk the walk. You suggested that the federal legislation is much more appropriate. Help me understand. What is the strength of the federal legislation that doesn't exist in the provincial one?

Ms. Susan Schmidt: This is where I would turn to the person who couldn't make it here today.

Mr. Tim Hudak: They could follow up, maybe, to the committee through the clerk to help us understand what the differences are.

The other point I get from a lot of folks who work in long-term-care homes in my riding in west Niagara is the amount of paperwork they have to do. They're there because they want to help residents and they want to deliver care, and they find themselves doing a lot of paperwork. What can be done to ensure that people are actually more hands-on and try to find a way to reduce the amount of administration time?

Ms. Susan Schmidt: I don't know if you can reduce the amount of paperwork. You have to chart what's going on, but we need more hands. If we can put a couple more hours in a day that would be great, but we can't, so we need more hands. We're there working with our hearts, not just our backs.

Mr. Tim Hudak: Help me understand, too, in terms of what's done electronically and what's done with the old-fashioned paper and pen. Is there something that can done in terms of electronic record-keeping that might help?

Ms. Susan Schmidt: Some of the homes are going to computerized charting. I know that some of the bigger hospitals have bedside charting. It would cost a fortune to bring that into long-term care, where you actually carry something in your pocket and as you do it, it goes into a main—I'm not computer-literate—thing over there. I believe that would be very costly, but the paperwork has to be there. The next shift needs to know what has been going on and what kind of care has been given. It's getting more hands for more time—it really is a vicious circle, but we need more hands.

Mr. Tim Hudak: It has been a few years now since new homes have been opened or rebuilt, like Northland in Port Colborne, Albright in Beamsville, and Grandview just up the road from you in Dunnville. What's the viewpoint of those working there in terms of how successful that has been or the things that can be improved in transitioning to new sites?

1400

Ms. Susan Schmidt: The staff love the new homes. There's more space for the resident, there aren't—don't quote me on this—any more gang toidies, which is wonderful. Everyone has their own washroom or two people share. It comes down to the constant running. There aren't enough hands. I don't know how many times I can say it: There aren't enough hands to give the people the care they deserve.

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

Ms. Susan Schmidt: Thank you.

HAMILTON WORKING GROUP ON THE ONTARIO POVERTY REDUCTION STRATEGY

The Chair (Mr. Pat Hoy): Now I would ask the Hamilton Working Group on the Ontario Poverty Reduction Strategy to come forward. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning put to you by the NDP. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Peter Graefe: I'm Peter Graefe, and I'm with the Hamilton Working Group on the Ontario Poverty Reduction Strategy. I'm alone here presenting this brief, but I'd like to signal the presence of several members of the working group in the room, including Ursula Samuels and Susan Muma.

Our name conveys who we are. Our group exists to engage the Ontario government to respond to the expressed wishes of Hamiltonians to see poverty reduction tackled in an effective manner. Our group, which was formed in the spring of 2008, pulls together members from many sectors, including people living in poverty, faith communities, social service agencies, academics, community legal clinics, social planners, partisan activists from all parties and many concerned citizens. The breadth of our group reflects a broader consensus on the need to reduce poverty, a consensus that has been forming in Hamilton over recent years, and most evident in the creation of the Hamilton Roundtable for Poverty Reduction. The Hamilton experience has shown how important new community partnerships can be in tackling poverty, but also how those partnerships need the support of senior levels of government if they are going to go beyond creating simple islands of progress in a sea of poverty.

There are many reasons why poverty needs to be a government priority and to thereby give rise to specific investments in the 2009 budget. Many of these were laid out in the Breaking the Cycle poverty reduction strategy released by the government less than two weeks ago. From our view, there are significant moral and social justice reasons to tackle poverty. But in the limited time I have, let me also reiterate some of the economic imperatives for poverty reduction.

According to the November 2008 report by the Ontario Association of Food Banks, poverty costs each household in Ontario somewhere in the range of $2,300 to $2,900 a year. The cost to the province is between $32 billion to $38 billion, or 5.5% to 6.6% of the provincial GDP, when you combine private and public costs. There is a clear relationship between poverty and poor health outcomes, lower productivity, lower educational attainment and children's future income. Poverty costs the province in terms of lost tax revenue from low income; it increases costs associated with crime, health care and social assistance. There is also a likelihood that 20% of children raised in poverty in 2006 will live in poverty themselves when they reach adulthood. These adults will then contribute somewhere in the range of $3 billion to $4 billion less to the economy than they would have if they achieved an income just above the poverty level. The same report from the OAFB tells us that reducing poverty with targeted policies and investments over the life course generates an economic return, but we need to make investments in order to achieve this return.

We are therefore counting on the Ontario government to deliver a 2009 budget that makes a significant down payment toward poverty reduction and prepares the way for further measures in 2010 and 2011 as part of a three-year plan. We know that reducing poverty is not just about provincial spending. The federal government has its work to do and Ontario also has to rework and restructure key systems that work to ensure welfare, including labour market regulation, the Ontario Works and Ontario disability support programs, anti-discrimination initiatives and the public education system. However, reaping the long-term economic and social gains of poverty reduction cannot just be about improving our existing systems. It also requires investing in Ontarians in the here and now.

For Ontario to match Quebec's initiatives after they adopted Bill 112—their law to abolish poverty—to do that on a per capita basis, it would need to spend the equivalent of about $1 billion, exclusive of child care. A $1-billion investment in a poverty reduction strategy therefore strikes us as a reasonable beginning. And as stated above, investments in poverty reduction provide short-term benefits in terms of economic stimulus, but unlike some forms of stimulus, they are investments that produce social gains for decades.

We therefore, in our brief, propose that the 2009 Ontario budget make public investment in four key areas, namely social housing, income support, community initiatives and early childhood education and care. I'll quickly go through those four areas.

In terms of social housing, governments looking for stimulus policies in recessionary times often look to housing. But not all housing is created equal. An investment in social housing has the additional benefit of contributing to poverty reduction and poverty prevention. To take an example, for our city, the year-over-year turnover in classes in Hamilton's downtown public schools often exceeds 100%, as parents move between school catchment areas in efforts to find affordable and secure accommodation. Such moves put economic stress on households, but also deny children the opportunity to build a support network of friendships or to be properly diagnosed for special supports where appropriate. We therefore propose that the 2009 Ontario budget commit to a multi-year program of public investments to construct 8,000 affordable housing units each year. In addition, investments need to be made to repair the existing social housing stock.

In terms of income support, we would like to see the 2009 Ontario budget introduce a $100-per-month food supplement for Ontario Works recipients to alleviate the cycles of hunger experienced by adults on social assistance, and we would like to see social assistance payments fully indexed. Also, in terms of income support, I think this budget could take real steps forward in reducing labour market poverty by introducing an indexed Ontario housing benefit for all lower-income families so that shelter costs do not exceed 30% of gross income; providing support allowances for extended skills training, education and vocational planning for parents, youth and adults, which is really important, because if you're not on social assistance and you don't qualify for EI, you really have no door into the Ontario training system—or a very difficult door; and finally, extending dental, drug and vision coverage to low-income workers. In addition, given the success of child benefits in reducing rates of child poverty, the Ontario child benefit should be raised from the current total of $1,100 to $1,500, ensuring that all eligible families touch the full increase. It's a form of stimulus that could be delivered very quickly.

The third element, after social housing and income support, is community initiatives. We are pleased that the poverty reduction strategy announced a community opportunities fund to support local anti-poverty partnerships and we trust that it will appear in the budget. We would also like to see this paired with a community services partnership program that strengthens the core funding of voluntary organizations and community agencies working in poverty reduction and prevention. Community organizations and initiatives have long played a central role in providing more equal access to resources and opportunities. They are a social infrastructure, ensuring that people's needs are met, but they are also a social economy, producing goods and services and creating jobs in the process.

The final area where we would like to see a serious down payment in an anti-poverty strategy in the budget would be child care. We know that early childhood education and care serves both poverty prevention and poverty reduction. It prepares all children to be effective learners once they enter school, but it also provides jobs in the formal labour market and provides stability for parents, especially women, who are working or pursuing training. The 2009 Ontario budget should therefore set out a plan to build a system of universal high-quality, affordable and not-for-profit early childhood education and care, beyond the sound decision to implement full-day learning for four- and five-year-olds. This should include investment in new spaces, capping parent fees, providing core funding directly to child care centres, and improving quality in these centres through better wages and benefits for child care workers. If early years investment truly brings the highest return on investment, as the government's poverty reduction strategy argues, then there is no sound reason to not increase efforts in this domain.

To conclude, then, Hamilton has been talking about poverty and creating new partnerships to address it for several years now. It is clear that communities can make real strides to address poverty by working together and innovating, but they can only go so far unless the federal and provincial governments also do their part. Not all the necessary pieces can be put into place through one Ontario budget or even several Ontario budgets. Poverty reduction certainly will not happen unless the Ontario government decides to invest in the sort of social infrastructure and programs that reduce poverty, prevent poverty and build community; namely, social housing, income support, community initiatives, and child care.

The Chair (Mr. Pat Hoy): Thank you for your submission. Mr. Prue will be putting the questions.

Mr. Michael Prue: I think you skipped over it, but in your brief you talked about other countries having addressed the issue of poverty. You point out the Scandinavian countries, you point out 15 American states, you point out Quebec and Newfoundland and Labrador.

In Ontario, two weeks ago—I guess it's two weeks ago now—the government of Ontario announced the poverty reduction strategy, confined almost exclusively to children. Have the other jurisdictions confined their poverty reduction to one group and not to the overall poverty of the disabled, aboriginal groups, new Canadians? Have they done the same sort of narrow focus?

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Mr. Peter Graefe: If you looked at the case of Tony Blair's strategy, you'd probably find—and maybe, to a lesser extent, in Ireland—the only one where you'd have seen the same intensive child focus.

Certainly, if we were to look at Quebec, even Newfoundland, it is not taken within that context of simply children. Important aspects of their strategies are focused on children, but I think they are based on an understanding that there is a broader issue of social inclusion that has to be dealt with in these strategies and that, ultimately, poor children live with poor parents and in poor communities, so there is a limit to the effectiveness of a strategy that simply bumps up the income levels of certain families living in those communities when the broader array of opportunities that would allow for full participation in society isn't there.

In a sense, if one was to look comparatively, most of the attempts at poverty reduction strategies have been broader-based and go beyond children. Obviously, children are an important focus for lots of these programs, because of the science that shows early childhood inequality having long-term social costs for societies. But it remains that, in most cases, there is a more broad-ranging view to say that even if you want to be effective in dealing with child poverty, you've got to deal ultimately with poverty in the society as a whole, because it's not as if we can take children and extract them from society, move them out of poverty. We can't do that. They're living in a series of neighbourhoods and situations with housing, child care and the like that need to be addressed at the same time.

Mr. Michael Prue: One of the facts and figures that often get missed is that most people on Ontario disability, ODSP, have no children—more than 90% have no children. Any comment on that, and whether the strategy will work at all for them?

Mr. Peter Graefe: I think there are some significant groups that are excluded with the child focus. Certainly, with the Ontario disability support program, as you point out, there is a large number of people who aren't going to benefit that much from an increase in the child benefit or some of the other features around that. Yet, in a society such as ours, I think we feel an ethical responsibility to ensure a standard of living above poverty levels. There is a need to engage the federal government much more directly in developing some kind of new disability benefit that would be similar to some of the old-age provisions that we have, albeit with more opportunities too for full participation in the labour market where people on that program choose to do so because they have that capacity.

But there are also a lot of other people who fall through the cracks of this strategy. We're going to see, in this recession, some serious problems with people falling off EI or not qualifying for EI—single adults who have too many assets to qualify for Ontario Works. We'll have a lot of people who are going to be spending down their assets, essentially, until they hit the bottom of the minimum program.

There is a series of questions there, where we have significant communities who aren't children but who aren't being reached by our social policy—a lot of people who have no social safety net, ultimately. So, yes, there is a difficulty in launching an anti-poverty strategy which looks only at a particular sub-sector, as important as that may be.

Mr. Michael Prue: You've given the example of Regent Park. It's dear to my heart because I grew up there. In fact, I was there when they tore out the first building. That was the one I grew up in.

As sort of a model to rebuild social housing, could such an experiment work in Hamilton? I'm just trying to see—I know we're talking in Toronto about Lawrence Heights. Could it include Hamilton?

Mr. Peter Graefe: I don't think you have in Hamilton quite the same built environment as in some of those particular cases. But certainly my experience, speaking with people in the social services in Hamilton, is that they're ultimately a transfer agency for the provincial government. They run Ontario Works and a certain number of other specific programs, but they've got no sort of internal capacity to innovate and do community development beyond really being kind of a cheque—or, you know, investing agencies.

The possibility is that if you begin to have slightly more significant investment in redeveloping older social housing stock or building new social housing, and similarly in developing new child care, there is a whole series of community building opportunities around that so that you're not just building a building but there are ways of bringing people in and developing networks and community associations that provide a whole series of additional—kind of renewing the soft infrastructure is the expression I think we used in our presentation. At the same time, it's a hard infrastructure. So I don't think you'd have anything quite on the scale of a Regent Park or a Lawrence Heights, but there are certainly significant pieces of social housing in Hamilton where a redevelopment scheme could involve, in a sense, a reinvigoration of citizen participation in the planning of neighbourhoods and finding ways of building in other community goods as part of a social housing strategy, so that you get the added benefit. Thank you.

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

ABC CANADA LITERACY FOUNDATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Literacy Coalition to come forward, please.

Interjection.

The Chair (Mr. Pat Hoy): This particular group has changed their name to the ABC CANADA foundation, just to correct the record. Good afternoon. You have 10 minutes for your presentation. The government will be asking you the questions in this round, and I'd ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Margaret Eaton: I'm Margaret Eaton, president of ABC CANADA Literacy Foundation.

Ms. Gay Douglas Broerse: My name is Gay Douglas Broerse. I'm the executive director of Literacy Link Niagara.

The Chair (Mr. Pat Hoy): You can begin.

Ms. Margaret Eaton: Thank you, Mr. Chair. It's a great pleasure for us to be here today. We're both part of a broader workplace literacy committee convened by the Ontario Literacy Coalition, which includes the Ontario Federation of Labour and the Canadian Manufacturers and Exporters, amongst others. We're very pleased to be here.

Literacy is absolutely fundamental to achieving Ontario's full potential and withstanding the economic turmoil that is upon us. In our presentation, I'll address our specific proposal to the government of Ontario to invest in a workplace literacy solution, and Gay is going to provide a bit of background on the perspective here in the Niagara region.

What's the nature of the literacy problem? A 2003 Stats Canada study says that 42% of Canadians are below the literacy level necessary to succeed in western society. This study places literacy on a continuum of one to five, and it shows that really, it's everything from people who cannot read at all—people who can't decode, which is only about 3% of the population—up to level five. The study suggests that level three is where we should all be, and level three is about the equivalent of a high school education. So about 42% of Canadians, and the number is roughly the same in Ontario, fall below that standard of a high school education. We're quite worried about those people. Do they have the skills that they need to really compete and participate in this new labour market that we're finding ourselves in now?

Ontario is very fortunate. Our economy has produced many jobs, some of them very well-paying, to individuals with low literacy. Manufacturing, mining and natural resources have historically provided those jobs. Now, as we all know, it's a very different story. We're losing low-skilled jobs, as you know, but also, what we're finding is that jobs that were formerly low-skilled are requiring higher and higher levels of literacy. A great example that I heard was trucking companies. That's been a refuge—

driving a truck—for people with low literacy, but now, because they have onboard computer systems, they have to have higher requirements for literacy. Some people require a high school education now before you can get into the cab of a truck. Many Ontarians will need to retrain and upgrade their skills just in order to participate in this changing labour market.

We applaud the government's initiatives, including the Second Career strategy, to help those who have already lost their jobs because of these changes, but we believe that it's also important to upgrade the skills of those who have not yet lost their jobs but may be vulnerable to further changes in the economy and in technology. We believe that a great way to do that is to provide the skills and training in the workplace while people are still employed. We know that of those with low literacy, 72% are employed. They're in the workforce right now, and it's the ideal place to reach them.

A new workplace literacy initiative is much needed to help Ontario employers and workers alike. That's the amazing thing about literacy and learning in the workplace: It also benefits employers. The Conference Board of Canada has done some research, and they've found that workplace literacy actually improved on-the-job performance. It improved customer and employee retention, it improved corporate image and it improved worker confidence, resulting in improved innovation and creativity. In the Conference Board's words, "These benefits translate into financial savings, productivity gains and higher profits."

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The Canadian Manufacturers and Exporters also agree. They did a report in 2003 called Business Results Through Literacy, and what they found was that improved literacy improves workplace health and safety, engages the worker to implement new regulatory requirements, and decreases absenteeism.

For workers, better literacy offers increased confidence, improved problem-solving and better decision-making, but no one group or stakeholder can take on workplace literacy alone. In the words of the Honourable John Milloy, "Changing the nature ... of our workforce is going to require creativity, some innovation and a lot of great partnerships," so a coordinated approach is really what we're recommending today. We recommend that the government of Ontario partner with employers and labour to develop a workplace literacy strategy. Our position paper suggests a multi-year pilot project with four elements.

The first element is the creation of a labour market partners' committee to oversee the pilot projects. Manitoba has a fantastic workplace literacy program, and one of the key strengths of that program is the organizing committee.

Second is funding for workplace literacy demonstration projects in workplaces across Ontario. So we would like to see some trial projects out there in the field, to see how they perform.

Third is some research to determine best practices. We know they are out there; we just need to gather them up and use those as models for the implementation of the demonstration projects.

Finally, funds for capacity-building: We need to train and develop workplace literacy practitioners in Ontario.

We've been working with the Ministry of Training, Colleges and Universities to explore this workplace strategy, and we're very encouraged by our progress. To build the momentum further, we urge the members of this committee to recommend that the government of Ontario move forward on a workplace literacy strategy for Ontarians. A more skilled, literate workforce means that Ontario's employers and industries will have a strong pool of workers to draw from, and thousands of Ontario's residents will have the skills they need to thrive in their families, their communities and their workplaces.

Now I'll turn it over to you, Gay.

Ms. Gay Douglas Broerse: Thank you once again for having us here today. I will start with a little bit of an overview around my role here in Niagara and how that equates to others' roles in the province to give you a little sense of how adult literacy is currently organized in the province.

Literacy Link Niagara is one of 16 regional literacy networks. Our prime responsibility across the province is the coordination and planning of adult literacy services. The Ministry of Training, Colleges and Universities asks us to bring those players around the table and ensure that there is no duplication of service, that we create an annual plan, and that we develop strategies to meet the needs of learners in our communities. So it's a very complex system in that, with those 300 agencies out there, it would be very difficult, often, for the ministry to get their word out unless there was some sort of information broker. That's how we see our role in networks: We bring the information from the ministry to its funded programs, and the funded programs bring their information to the ministry, often, through our doors.

There has been a real major shift in the last few years to essential skills. We've recognized that the word "literacy" is often a very bad word and frightens a lot of people away from doors where they need to be. What we're seeing currently in the province is a real shift to using "essential skills" language, which you may be familiar with. I'm just going to very quickly go over what those essential skills are.

The interesting thing about essential skills—and you hear a lot of that from the HRSD and Service Canada perspective—is that those essential skills were pulled after the work was done on the International Adult Literacy Survey back in 1994. That's when that list was created. Sometimes people forget that the essentials skills are essentially grounded in literacy and foundational skills that are necessary for all future learning. So when I'm talking about essential skills, I'm talking about reading text, document use—a big one for business, the use of documents, schedules, charts—numeracy, writing, oral communication, working with others—another big one for the business community—continuous learning, thinking skills and computer use. So what you're seeing is that in the province we're really shifting our focus now to that essential skills training. You're seeing a lot of organizations change their name from "literacy" to "learning" organizations to reduce that stigma.

I've been around for about 12 years. My first experience with workplace education was back in 1996, when I first joined the network and heard about something called WWEBS. I don't know if anyone goes back that far. It was called workplace workforce essential and basic skills, and it was an on-site training program for business in which the government contributed half the costs to an integrated, on-site workplace literacy program provided that the business provided the other half.

We had tremendous results here in Niagara in Custom Pharmaceuticals. Custom's changed its name in Fort Erie. I'm not sure who they are now—

Mr. Tim Hudak: Patheon.

Ms. Gay Douglas Broerse: Patheon. There are some interesting data available about that experience.

My second experience was back in 2003. The ministry funded five regional networks across the province to become what they called "first sites" for workplace literacy. Over the course of a year, closer to two years, we received funding to develop the internal structures and protocols that would be necessary to take our strength and expertise in literacy assessment and training and customize training to career goals and match it with the business community. So over the course of those two years, the five networks that were involved developed their own particular local model to do that work, and unfortunately after those couple of years, and based on our feedback that the field wasn't quite ready to walk into businesses and provide training, that funding discontinued and those dollars and those resources were invested into training the field.

The last five years have seen an incredible amount of training happening with our literacy practitioners, especially around essential skills, preparing people for the workforce and helping with the current employment challenges of working people. So it's five years later now, and I certainly feel that the field is ready now for the challenge.

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

Ms. Gay Douglas Broerse: Oh, thank you. I appreciate that.

I think that here in Niagara the decline in our manufacturing base and the numerous layoffs that we're seeing happening is releasing a large number of people who are going to be looking for the same jobs that they were able to apply for and get back in 1986. And often, those jobs, as Margaret referred to, are no longer available or the bar has been raised to the point that they need to upgrade. We need to somehow find those folks and help them find their way through this very complex system. So workplace and workforce preparation is absolutely critical for these times.

One more final note and I will end: just to let the group know that one of our challenges right now is that most literacy programs in the province are at capacity or have waiting lists. We only anticipate, with the increased flow of laid-off workers, that the demand will grow, and the literacy programs have been flat-funded for the last 10 years. So this is a wonderful opportunity, through workforce literacy, to take the skills, potential and expertise that our field now has and somehow link it to the needs of people who are working.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the government, Mr. Sousa.

Mr. Charles Sousa: Thank you both for being here today. Literacy is a priority for all of us, and it certainly makes Ontario a much more competitive jurisdiction. I'm proud to see that some of the advancements over time have occurred; that we have become—and we're being monitored and noted. Ontario's overall reading achievement has excelled other jurisdictions—I think we're the third now, relative to 45 other countries—and certainly providing sufficient resources to teachers and getting it started at the early years is so important. Of course, you're talking about adult literacy and thereafter, and literacy is more than just reading. We're also talking about financial literacy. I attended the SEDI Awards—

Ms. Margaret Eaton: Me too.

Mr. Charles Sousa: And it was outstanding the way they take note of adults in dire need of managing their resources, especially in these times. But there is a corporate social responsibility in this. There is a partnership necessary to move that forward, and I appreciate you bringing that to light.

We've released an ESL program, English as a second language, with many companies, especially for new immigrants coming to Canada. I've attended some of their works of establishment and they seem to have some successes. Can you elaborate a little bit on what you've seen there?

1430

Ms. Gay Douglas Broerse: I don't know an awful lot about ESL. Currently, it's in its own silo with a different pot of money and our responsibility, locally indeed—there's a separation between ESL and literacy. The literacy program is offered by the Ministry of Training, Colleges and Universities for adults and focuses on anglophone, francophone, native and deaf cultures only.

Mr. Charles Sousa: Can I give Sophia an opportunity to ask a question, Mr. Chair?

The Chair (Mr. Pat Hoy): Ms. Aggelonitis.

Ms. Sophia Aggelonitis: Thank you very much. I have two questions. You mentioned a figure of 300. I wasn't—

Ms. Gay Douglas Broerse: I might not have been clear.

Ms. Sophia Aggelonitis: I'm sorry?

Ms. Gay Douglas Broerse: Three hundred adult literacy agencies are currently operating, providing adult programming in the province.

Ms. Sophia Aggelonitis: Okay. You spoke about partnerships. The other question I have is, do you have partnerships with business groups like the chamber?

Ms. Margaret Eaton: Yes. As part of this workplace literacy coalition, the Ontario Chamber of Commerce is one of our members and they've been very supportive. They've come out with a whole statement about literacy actually driven by the Hamilton Chamber of Commerce, in fact.

Ms. Sophia Aggelonitis: I know.

Ms. Margaret Eaton: Yes, they're leaders in this area.

Ms. Sophia Aggelonitis: It's a really important connection there, and I really wanted you to talk about that.

Ms. Margaret Eaton: Yes.

Ms. Sophia Aggelonitis: Okay; thank you.

Ms. Margaret Eaton: Thanks.

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

Ms. Margaret Eaton: Thanks very much.

Ms. Gay Douglas Broerse: Thanks for your time.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Mr. Pat Hoy): For the committee, the 2:45 has not arrived, but we do have in the room the Ontario Public Service Employees Union, willing to come forward now.

Thank you for accommodating the committee. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I would just ask you to identify yourself for the purposes of our recording Hansard, and you can begin.

Ms. Patty Rout: I'm Patty Rout and I'm the first vice-president and treasurer of the Ontario Public Service Employees Union.

OPSEU, as you know, represents more than 125,000 workers, most of whom work in the public sector, including the ministries of the crown, hospitals, colleges, social services and the LCBO, and many other broader public sector workers. I happen to be a medical laboratory technologist employed at the Lakeridge Health Corp., which is in Oshawa. I know only too well what it's like right now to be in an economy that's in the difficulty that it's in.

I want to be very clear on a few fundamental issues that OPSEU considers.

First, Ontario is facing an economic crisis the likes of which few of us in this room have witnessed in our lifetimes. The impact on hundreds of thousands of people in this province is enormous, and jobs are disappearing at an alarming rate. Communities are watching as their economic lifelines are snapped.

Secondly, with the exception of Stephen Harper, everyone recognizes that all levels of government must take immediate action to strengthen our economy and effectively address the global economic calamity that is impacting on Ontario and Canada.

Third, let's understand that economic stimulus and financial restraint are contradictory terms. In determining how it acts to address the economic crisis, the provincial government cannot speak out of both sides of its mouth. It must make clear its intention to infuse the public sector with badly needed resources to curb the crippling impact of our economic crisis in this province.

Our public sector once had 20% of the jobs and services in Ontario. That had fallen to 15% from 1995 to 2003. The decline had a dramatically negative impact on many communities that deliver and as well receive public services. In tough economic times, with heavy job losses in the private sector, many families rely on a public sector paycheque, and so do the communities in which those families live. The public sector has only slightly increased since 2003, to about a 16% share of the economy since the McGuinty government took office on a promise to rebuild public service. So the thrust of our argument today is that there remains much work to be done in the public service for the benefit of working families, for communities and for all residents of Ontario.

I will focus on four key areas of concern to our membership: temporary and contract workers in a good-jobs economy: the failure to adequately fund the front line of the Ontario public service; the privatized financing and delivery of health care; and the underfunding shortfall that faces our community colleges.

It is evident that all levels of government must become much more aggressive about using the tools of the state to pull us out of this economic crisis. This is what the Auditor General of Ontario is saying. This is what virtually every leading economist is saying, at home and abroad. This is what Canadian bankers are saying. Everyone seems to understand this, except the Prime Minister of Canada.

What we're witnessing in Ontario is the failure of the provincial government to take bold action. We're hearing all the right words from our Premier, but what's missing is a sweeping plan to deal with the bold action.

The reality today is that too many Ontario families are struggling. If they are receiving social assistance, it's just too low. If they are working one or two or more jobs at minimum wage, they are stuck in a cycle of poverty. If they have a good job, they don't know for how long.

Three out of eight jobs in Canada are part-time, temporary, seasonal, or precarious in some way. These workers are often paid less than full-time workers, they seldom have benefits, and they lack job security. It's over them like a dark cloud.

At least 40,000 OPSEU members are part-time or contract workers. They go by many different names, such as "unclassified," "part-time," or "casual," but they all have the same issues. Now, more than ever, Ontario needs good jobs that allow working people to live decently, bring their kids up properly, and retire with dignity.

This is the message we took to the street on December 10, when it was 10 below, on International Human Rights Day, outside LCBO stores across Ontario. The LCBO has four tiers of wage structure. Its employees are fighting for equal wages, benefits and some dignity.

It will take added provincial spending to create well-paying jobs and to help transform bad jobs into good ones. Any move now or in the next budget that cuts wage gains for real people doing real work is bound to fail. A strategy that puts money in workers' pockets is a good one.

To help get us on that path, the government should begin by taking a good, hard look at the dramatic report released last week by the provincial Auditor General. He said that instead of getting on with rebuilding services in tough economic times, the province is falling behind.

The auditor said that it would have been cheaper—and we all said this—by more than $600 million for the government itself to have built the William Osler hospital in Brampton than to hand it off to a private organization.

He exposed the fact that the Ministry of Revenue is badly under-resourced. At least $500 million in provincial sales taxes is going uncollected. Can you imagine, if we took those missing dollars, what we could have done to build our social infrastructure?

The report also notes that the province has not adequately addressed the deficiencies in public safety inspections—for example, meat safety and transportation safety—that first took root under the Harris regime in the 1990s and that still continue today.

The Auditor General's report strongly indicates that the government continues to fall short when it comes to the courts and correctional services.

Let me return to health care.

At least half of our hospitals are in deficit this year. They've been limited to a 2.1% budget for 2009-10. We know that 80% of their accountability agreements have not been handed in, and we know that the deficits are going to go up for 2009.

Our hospitals were promised that they would keep their services after the amalgamations we saw with Mike Harris, but that has not being honoured by the local health integration networks. I call those 14 Ministries of Health, because if anyone tried to figure out what's happening in the health care system, there's absolutely no one to go to.

1440

If current provincial thinking on hospital operations does not change, emergencies are going to close. There will a major loss of health services in small towns and in rural areas.

While the Auditor General's report acknowledges that the government has almost reached its target of 35 beds per 100,000 people, the services that were meant to be put in place to assist the mentally ill who are no longer in those facilities are not being funded. The auditor revealed that over half the people with serious mental illness are living in the community and not receiving the appropriate care. We are failing the most vulnerable people in our society and we are failing the care providers.

Lastly, I would like to touch on the community colleges, a cornerstone in preparing our people of Ontario for the challenges presented by this new, green, knowledge-based global economy.

When OPSEU last made a presentation to this committee, 11 months ago, we stressed that Ontario has dropped to ninth place among Canadian jurisdictions in student funding. We urged the government to take this matter seriously by investing in our young people struggling to gain education that they need so they can compete.

Sadly, on this score, absolutely nothing has changed and we're still number 9—nothing to be proud of. So we say to you again today, it's time to make a bold move in the direction of bringing our funding of community colleges more in line with at least the Canadian average.

Let me conclude by reinforcing OPSEU's key concerns and remedies. In the face of the most severe economic downturn since the Depression, now is not the time to cut back on public service or public sector wage gains. This is not the time for more privatization of our health care system. And this is not the time to squeeze our community colleges even further, to the point where we fall behind in the global economy.

It is, however, time to plan boldly to meet and overcome the serious economic challenges we face. It is time to engage the tools of government to reduce the wage and benefit gaps caused by an economy that is fracturing into more and more categories of workers. It is time to take back our health system that is hemorrhaging money to the private sector when all available evidence shows that the public sector can do it better and do it cheaper. It is time, as the Auditor General most accurately pointed out, to reinvest in our public services, if only to safeguard the health and safety of the people of Ontario.

The challenges we face are steep, and I don't pretend that the solutions are simple. But now is the time, more than ever, that we must pull together in a common cause. Nothing less than the future well-being of our great province depends on this.

Thank you.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the official opposition. Mr. Arnott.

Mr. Ted Arnott: Thank you very much, Ms. Rout, for your presentation and for coming here today to offer us your views and your opinions on behalf of your membership.

I should briefly explain: The way this committee is operating today is, although there are members here from all three parties, we are asking questions in rotation. So, while other members of the committee may very well have questions for you, they'll have to talk to you afterwards, because that's the way we're managing the committee at the present time.

I wanted to ask you about your job as a medical laboratory technologist, because you indicated that you're proud to do that at the outset. Is that a full-time position, or are you one of the part-time or casual employees that you mentioned?

Ms. Patty Rout: I was full-time.

Mr. Ted Arnott: Okay.

Ms. Patty Rout: I was very fortunate. I was hired in the 1970s, when there was a huge move by this province to make sure that we had enough medical laboratory technologists trained. At this point, we are now in a crisis in that field in that there is—but there are no full-time jobs, so we can't get people to go to them.

Mr. Ted Arnott: What sort of work do you do at the Lakeridge Health Corp. in Oshawa, then, in your department?

Ms. Patty Rout: I am a lab technologist working in pathology and I specifically worked on cancer markers for tumours. So the tumour would be presented to us, and we would then do a study to find out what would be the appropriate care for that tumour.

Mr. Ted Arnott: And are there enough staff at that particular location to keep up—

Ms. Patty Rout: Absolutely not.

Mr. Ted Arnott: Okay.

Ms. Patty Rout: No, absolutely not. The shortage is huge.

Mr. Ted Arnott: You also said on page 3 of your presentation that there are 40,000 OPSEU members who are part-time or contract workers. As a percentage of all the OPSEU members, what does that represent?

Ms. Patty Rout: About 30%.

Mr. Ted Arnott: About 30%?

Ms. Patty Rout: Yes. If you look at health care, where I come from, specifically hospitals, 68% of the people are part-time; if you look at LCBO, about 72% are part-time. If you look at the Ontario public service, it's probably the lowest as far as part-time workers go.

Mr. Ted Arnott: In the Ontario Legislature, as we've debated the unemployment issue in the last number of months, the government often responds with the number of jobs that have been created in the province in recent months. I think that slightly over half of the number they cite are actually in the broader public sector. So it would include direct employees, I would think, of the provincial government. Is that what you're experiencing as well, or is it inconsistent with what—

Ms. Patty Rout: Yes. There's been really no growth in the Ontario public service. Being the treasurer of our union, I see where the dues come from, and the dues very much are coming from the broader public service. We just, as of December 15—I guess that's today. Our provincial health labs have now moved to the broader public service. As well, the Penetanguishene mental health facility has now moved to the broader public service. So we're seeing more and more of our membership—it's just a steady drip.

Mr. Ted Arnott: You said early in your presentation that at one time the public sector supplied 20% of the jobs and services in Ontario. What year was that? In the early 1990s?

Ms. Patty Rout: I would have to check, but I would think it's probably the 1980s, before all the cuts started to happen.

Mr. Ted Arnott: Thank you very much for your presentation and for answering my questions.

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

Ms. Patty Rout: Thank you for your time.

The Chair (Mr. Pat Hoy): For the committee, our 3:30 is here. They're coming from another floor, so we'll just pause and wait for them.

1450

CANADIAN MANUFACTURERS AND EXPORTERS

The Chair (Mr. Pat Hoy): Our pause has ended, and we certainly appreciate you accommodating the committee at this time.

Now we'll hear from the Canadian Manufacturers and Exporters. You have 10 minutes for your presentation. There could be up to five minutes of questioning put to you by the NDP in this rotation. I would just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Ian Howcroft: Good afternoon. My name is Ian Howcroft, and I am vice-president of Canadian Manufacturers and Exporters, Ontario division. With me is Paul Clipsham, who is our director of policy. On behalf of CME, I would like to thank the committee for allowing us the opportunity to provide input for the forthcoming provincial budget, arguably the most important budget that we've seen in the province's history.

Before we turn to the specific or substantive recommendations, I think it's important to note a few things about CME and about manufacturing and the important roles that they play in the economy of Ontario.

CME is the voice of manufacturing and exporting. Our member companies account for over 75% of total manufacturing output in the province and approximately 90% of the province's exports. CME members represent a broad variety of industry sectors, with approximately 85% of them being small and medium-sized enterprises. As well, we have many large manufacturers, particularly in the automotive, resource-based, food, energy and high-tech industries. Consequently, CME is well equipped to represent and be the voice of manufacturers and exporters in Ontario.

Alone, our sector is approximately 18% of the GDP, producing about $300 billion of output for the provincial economy. Further, the manufacturing and exporting sector provides employment for approximately 900,000 Ontarians directly, and another 1.8 million are indirectly dependent on manufacturing. One in every six jobs depends on the manufacturing sector directly, and this is after the significant loss of manufacturing jobs since 2002. These are highly skilled and highly paid jobs with wages that pay approximately 25% higher than the national average. Every dollar invested in manufacturing generates $3.25 in total economic activity, the highest multiplier effect of any sector.

The sector also represents over two thirds of all private sector investment in research and development. We raise these facts to demonstrate, again, how important manufacturing is to Ontario.

It's also important to recognize and commend the government on its commitment to a strong manufacturing sector. By adopting CME's earlier recommendations to create the Ontario Manufacturing Council, eliminate the capital tax for manufacturing activities and provide funding for productivity improvements for small and medium-sized manufacturers through the CME's recently launched SMART program, the government is taking meaningful and demonstrable steps to address the challenges facing the sector. However, much more needs to be done.

Since our last presentation to this committee about a year ago, the economic landscape has changed dramatically. For several years, manufacturers have been grappling with the value—and now the volatility—of the dollar, competition from emerging markets, regulatory inefficiencies and rising business costs. The recent credit meltdown in global financial markets, liquidity issues and the recession south of the border have only added to the intensity of this perfect storm. In Ontario, we have 200,000-plus fewer manufacturing jobs than we did five years ago. Reports by leading economists suggest that we could lose tens of thousands more jobs over the next year or two if we continue down our current path. Consequently, we must take an aggressive, collaborative and co-operative approach to develop the innovative solutions to get us through these difficult and challenging times.

For example, in the 2008 budget, the Ontario government announced a $25-million grant to CME to provide some much-needed assistance to small and medium-sized manufacturing companies to help increase productivity, accelerate adoption of information and communications technology, and improve energy efficiencies. As noted above, we have branded this the SMART program. The interest in this program has been unprecedented in CME's long history. We're confident that we will have invested the bulk of these funds ahead of schedule.

We also know that there will be many other worthwhile projects that could be implemented with an extended and enhanced program. We recommend that the government support a multi-year SMART program with a $200-million financial commitment to help the engine of the economy—manufacturers. We think this is the best way to proceed, given that the delivery vehicle has been created—one that is resonating well with manufacturers. It's a win for government and, most importantly, it's a win for the struggling manufacturing sector.

Despite the unprecedented nature of these challenges, there is still reason for cautious optimism. We know, for example, from our annual management issues survey that those companies that are able to make investments are more optimistic about their prospects for growth.

We need urgent action on the part of government to allow manufacturers and exporters to retain more of their cash flow in order to make the necessary investments in skills training, productivity enhancement, and research and development. These are the issues that are so vital to the survival of this sector.

The actions of the government should be based on the following tenets:

—a competitive taxation system;
—cultivation of a highly skilled workforce;
—world-class infrastructure; and
—investments to support all of the above.

Keeping this in mind, I will now ask Paul Clipsham to talk about some of the specific recommendations that our committee has discussed and is proposing to you this afternoon.

Mr. Paul Clipsham: Thank you, Ian.

Creating a competitive taxation system is not out of reach in Ontario. The right changes can stimulate new investment, foster innovation, encourage training, reduce administration and even improve the environment by generating investment in more efficient technologies. In order to remain globally competitive, Ontario needs to look carefully at the total tax burden carried by business and act to reduce it accordingly. The level of Ontario tax burden continues to be viewed as an uncompetitive cost of doing business in Ontario.

A recently published report by PricewaterhouseCoopers and the World Bank entitled Paying Taxes ranked Canada as 99 among 178 countries in terms of the total tax rate paid by businesses. These costs are beyond the capacity of individual companies to control, and a major impediment to attracting new investment and sustaining economic growth.

CME recommends the following actions to reduce the total tax rate and administrative burden on businesses principally engaged in manufacturing and exporting activities: Reduce the general corporate tax rate to 8% for manufacturers, address inequities in the property tax system, and implement further tax harmonization.

We believe the government has a unique opportunity at this time to leverage the most economic gain by proceeding with targeted tax reforms in each of these areas. We believe the economic spinoffs from these reforms will garner the biggest bang for the buck and will provide the right incentive for future investment and growth.

The optimal means of improving the marginal effective tax rate is to reduce the general tax rate on businesses to 8%. This move would be relatively easy from an administrative standpoint and make Ontario's taxation rate competitive with other jurisdictions, particularly the United States. This would allow companies to better justify existing and future investments in Canada and free up capital for process improvements, training and R&D spending.

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Inequities in the property tax system are widespread in Ontario, with industrial taxpayers bearing a disproportionate burden. A 2007 presentation to CME 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 high rates to the industrial base, it clearly no longer exists.

Conversely, CME would argue a strong case can be made for disproportionately low tax rates for industrial properties. Competition for manufacturing investment is now global in many cases and North American in nearly all cases. Other jurisdictions offer property tax incentives to attract new manufacturing investment. Every dollar invested in manufacturing in Ontario generates $3.25 in total economic activity, which is the highest multiplier of any sector. Manufacturing also results in high-wage jobs that are often 25% above the national average. If we connect the dots accordingly, all this adds up to greater tax revenues for the government that can be reinvested in infrastructure, education, health care and social programs.

CME also feels strongly that the government of Ontario should fully harmonize the current retail sales tax with the federal goods and services tax to create a value-added tax system. A 2008 report by the C. D. Howe Institute entitled Growth-Oriented Sales Tax Reform for Ontario: Replacing the Retail Sales Tax with a 7.5% Value-Added Tax highlights the primary concern with the VAT system. Existing retail sales taxes have serious drawbacks. They result in uneven effective tax rates on consumption, because many non-durable goods and services are not taxed; they impose cascading business taxes on business inputs that are eventually borne by consumers in the form of higher prices; and retail sales taxes make it more difficult for businesses to compete in global markets and to invest in capital. In Ontario, the largest province, there still remains an antiquated sales tax: A third of the tax is levied upon intermediate and capital goods. Harmonization would increase the competitiveness of Ontario businesses. It will reduce the cost of doing business in Ontario by streamlining the tax compliance and make our products more attractive in the export market by reducing product costs. The current sales tax regime weakens the competitiveness of Ontario goods in the domestic and international markets.

The corporate minimum tax is not a significant source of revenue for the government and represents an administrative and financial burden for businesses in Ontario. Therefore the CME recommends that the CMT be eliminated in an effort to simplify the tax system.

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

Mr. Paul Clipsham: Thanks.

CME also recommends cultivating a highly skilled workforce. The government has already committed significant amounts to creating a skilled workforce for Ontario, but we suggest that more focus should be spent on employer-sponsored training. We have two recommendations in that regard. One is to enhance the apprenticeship training tax credit, which is a competitive advantage, but we think that it can be improved to encourage more companies to take part. We also think that an employer-sponsored training program should be implemented by the government to encourage more employers to develop training programs.

As far as infrastructure, the main recommendation there is that the government accelerate current investments as a means of stimulus in the current environment. Certainly both energy and the logistics infrastructure play an important role in the economy, and speeding up the approvals and implementation of these projects can only help manufacturers under these very challenging circumstances.

That concludes our presentation. I would like to again thank the committee for their time, and we're open to any questions that you might have at this point.

The Chair (Mr. Pat Hoy): Thank you. The questioning will be done by the NDP and Mr. Prue.

Mr. Michael Prue: Two areas: The first one is the inequities in the property tax system. It's well known that Ontarians pay the highest property taxes in the world, and industry pays correspondingly, therefore, higher property taxes. We also know commercial people starting up—as an example, even before a restaurant becomes profitable, they pay taxes on it and oftentimes fail. I use a little example, but that's true in manufacturing as well. What would you replace the monies that municipalities primarily get from the property tax system—what other mechanism would you give to the municipalities so that property taxes could be lowered to a competitive rate?

Mr. Ian Howcroft: That would be a challenge for the municipalities. We think there should be a more equitable distribution between the various rate bases—residential, commercial, and manufacturing/industrial. You would have to increase the residential or commercial to offset some of that, or you'd have to find new sources of revenue. We think that reducing one of the tax burdens that manufacturers face is going to help to eliminate one of the barriers that we're seeing right now in retaining and attracting new investment to Ontario. So you'd have to do some realignment of the current tax system within the municipalities, but we'd be able to have, as a sales tool to try to attract more investment to Ontario from manufacturers, a lower property tax, which is currently a major deterrent and barrier for attracting this new type of business.

Mr. Michael Prue: I think part of the difficulty that any government would have is to convince residential taxpayers who already pay the highest property taxes in the world—and apartment and tenant taxpayers pay even more—to increase that tax in order to offset what industry is paying. I think your strategy should include some other mechanism whereby municipalities—it would have to. Otherwise, I think yours is a no go.

Mr. Ian Howcroft: We recognize the challenge that you've clearly articulated, and I think part of it is continuing that articulation with, do people want to have low residential property tax rates and fewer manufacturing jobs, fewer people employed in manufacturing, few of the other benefits that manufacturing brings to the province? We highlighted some of the statistics and facts around manufacturing because it is such a big player in the province. We have to be able to explain that and how you'll see some changes in taxes in one area, but you're going to see other benefits in other areas—you'll have more manufacturing here that will be generating more income for the province.

Paul, did you want to add to that?

Mr. Paul Clipsham: Just to say that, yes, I think it's an economic development tool that you have to explain to people; that we need to attract these investments for which the competition is global. If we don't do this, the implications are very significant, as far as where that investment goes and where it stays.

Mr. Michael Prue: A second point you made here is about the need for energy infrastructure. I don't think anyone would disagree. The government has several options: They have nuclear, which I think is where this government is headed; they have leaving coal in place, which is what my colleagues the Conservatives have talked about—making it cleaner coal, but leaving it in place all the same; they have new technologies. Where do you see that energy infrastructure going? It's difficult. We can all just say we need a new energy infrastructure, which is what you've said. But do you have any specifics in mind?

Mr. Ian Howcroft: Yes, we have. We've been very active with the Ontario Energy Board, the Ontario Power Authority and the Ministry of Energy in providing what we think should be part of the composition. We certainly support the need for more nuclear reactors to add to what we have and to replace those that will be retiring or need complete refurbishing over the next five to 10 years. We understand the commitment to eliminate coal over time, and we certainly support and encourage better conservation and new sources of energy, but I think we have to be realistic.

What we have to also demonstrate is that Ontario is not going to become, as we say, an island of high energy prices vis-à-vis who we're competing against in the United States, who are using cheap coal. We have to be innovative and look realistically at what we need.

We do have a very active energy committee, and we have provided details that we just alluded to in our comments today due to time constraints. We do have a full articulation as to what we think the energy composition should be for production over the next 10 to 20 years.

Again, Paul could probably expand on that and provide a bit more detail if we have time. I'm not sure, Chair, if we do.

The Chair (Mr. Pat Hoy): You're four seconds from being out of time, but we do appreciate you appearing before the committee. Thank you very much.

Mr. Ian Howcroft: Thank you very much. Happy holidays to everybody.

The Chair (Mr. Pat Hoy): Thank you.

Mr. Mike Colle: Merry Christmas.

1510

ANGELA BROWNE

The Chair (Mr. Pat Hoy): And now I call on Angela Browne to come forward, please. Good afternoon. You have 10 minutes for your presentation. There might be up to five minutes of questioning, put to you by the government this time. I would just ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Angela Browne: Okay. My name is Angela Browne and beside me here is Ms. Cheryl Rowe, who probably has 10 times more energy than I do, but I'm doing probably most of the talking.

Anyway, my name is Angela Browne. I'm a licensed paralegal in the province of Ontario. I'd say a good third to one half of my clients are dealing with WSIB, ODSP and poverty issues, and many of them have fairly poor prospects, if any, for a job.

My whole thing about this economic recession we're going through right now is that for my people, it is always a recession. It's just that everybody's feeling it now instead of just my people. I think that my people need to have a break too. The trouble is, we're all talking so much about how we're going to deal with all the other people who are now in danger of losing their jobs and maybe ending up on my side of the fence; I don't know.

I've been a licensed paralegal and business consultant for 15 years. I've also held the positions of executive director, national director, policy consultant, policy analyst and other senior titles. Today I live in the so-called new economy. I work long hours, and it's likely that I'll not be able to retire because there isn't any money for retirement. I'll probably be working until the day I'm dead, like many other second-wave baby boomers.

I'm pleased to be invited to the Standing Committee on Finance and Economic Affairs, and I'm pleased that you've come to Niagara Falls. I hope you're aware that Niagara region has the second-highest unemployment rate in Canada. I'm glad that you've come here. Maybe that's why you came here, or maybe—I don't know, but I'm hoping that is part of the reason, so that you can listen to some of us here and what we're going through.

Apart from the manufacturing jobs and the manufacturing industries and the troubles that they're having, it's very hard to see these people lose their jobs. We have to be realistic about it.

This region is known not only for its manufacturing job losses but for having a disproportionate number of its population on Ontario Works and the Ontario disability support program. Most of these people have not worked in the manufacturing sector and don't benefit from it. We also have quite a few well-educated people on OW and ODSP, and they're stuck there.

Niagara region has its problems as well with access to good-paying jobs for well-educated people. The ironic thing is that Niagara has two excellent post-secondary education institutions, Brock University and Niagara College, yet only 12% of Niagara region's residents have a post-secondary education.

One would wonder what happens to all those people who are educated: They flee. They flee the region in droves. Why do they do so? There are a lot of reasons. There are no jobs here for people who are well educated. The manufacturing sector has served well for people who have not had an advanced education, or may have an advanced education in a particular area, but not for people who have had university or other college training. They have been poorly served by this region's economic strategy. The lower percentage of people in Niagara region with post-secondary education also severely disadvantages those who do have post-secondary education.

Once people get out of school, they have a big, huge student loan to pay off, and they're certainly not going to be in a position to afford a vehicle and take out another loan, another mortgage, for a vehicle, so they have to go somewhere where there is public transit. Niagara region, as you are aware, has no public transit between cities. Within cities, it's fair to poor.

I am very well educated. I'm a licensed professional. I enjoy my work, I enjoy my practice, the people I work with. But because I don't drive, I don't earn half of what my peers do, even in Niagara region. I'm just asking to be able to earn what other people earn, for my efforts.

Since February 2008, I can count approximately 10 or more persons with whom I'm friends, post-secondary educated—four in health care, two in engineering, and four in other areas. They're all gone. They left. At least four of them left because they're tired of the commute, tired of the gas prices, tired of no transit. Two of them did not drive. They're all elsewhere and they're working full-time elsewhere. One engineer did not get a job for five years because he did not have a car. Once he got a car, he magically got a job.

These people leave the province for elsewhere and I think Niagara needs to find out why. I think they need to start looking at ways of bringing talented people in, not just the manufacturing sector, but talented people in all areas—information management, social services, legal and financial services, and other types of sectors that people have developed skill or talent or education in, in this region, and have thus so far failed to do so.

As for Niagara region's transit, the parochialism, inter-municipal disputes and buck-passing has been going on for at least 30 years and that turns me off. I can no longer afford to work in Niagara region. Recently, there has been an announcement of yet another study by the region to study whether transit is needed or not in Niagara region. Perhaps I can send copies of my 23 studies I had that were done since 1973 that all say that we need transit. The region also has said it's needed, so maybe what we can do is get on with the program and stop passing the buck.

What I've been very disappointed in is that when the province started its poverty reduction strategy, it did not include transit and infrastructure development as part of the poverty reduction strategy. To me it should have been included from the beginning, because without transportation you can't get to a job, so forget about working if you can't get there. It's such a crying shame, because Jim Bradley is from this region and he's the Minister of Transportation. This region has had the worst public transit service going, and it was actually ranked that way by groups like the Pembina Institute and the Conference Board of Canada.

There were stats that were presented at St. Catharines city council where a number of agencies, employers and other interests, such as the Chamber of Commerce, presented their strategy for transportation in Niagara. One of the biggest employment services providers, the Employment Help Centre, which is the biggest generic provider of employment services to people in Niagara—they serve immigrants as well as over-25s—did a survey. Out of 1,000 of their people that use the service, only 70 people—seven zero—have a licence and a car—7% of people can drive, who are unemployed; 93% rely on bus service. Most of these people have relied on Ontario Works and Ontario disability support program for a long, long time. Think about the costs that this is going to do and that your province is soon going to be absorbing with the uploading of the programs.

On December 4, when the poverty reduction strategy was announced, of course I was sorely disappointed. It, unfortunately, did not include people with disabilities. People with disabilities have a substantially high rate of unemployment; native Canadians have a high rate of unemployment. Senior citizens are getting a higher and higher rate of poverty, because as time goes on, fewer companies are paying pension, people don't have the money to put it away themselves, and people are now having to live on what the government offers, which is far below the poverty line.

The poverty reduction strategy put its focus on the Ontario child benefit. People who are receiving the Ontario child benefit and receiving social services are not getting the full benefit of the Ontario child benefit. They cut you on one end and then give you a handout on the other—the same thing they were doing with the national child benefit, but now they're just doing it with the Ontario child benefit. Sure, they no longer show the deduction for the NCBS; what they did is, they just lowered the cheques instead—not very intelligent.

When I did my province-wide survey, some people on Ontario Works were actually getting less total money per month than they were prior to the introduction of the OCB, and many people on Ontario disability support, while they're not getting less, the highest that I've actually encountered was $11 extra a month for a person who has two kids. That really doesn't pay the hydro; it doesn't pay the rent increases; it doesn't pay the increased food costs, which, an excellent study from the Ontario Association of Food Banks says, is about 29% over the last five years. It doesn't begin to pay the increased costs that these people have to pay.

In my opinion, in my Ontario, there should not be a need for charity and there should not be a need for food banks, but yet, when they take the winter clothing away and they take the back-to-school allowance away, parents who could not afford to do so otherwise were told to go to charities. People should not have to go knock on the door to charities. People should have a right to dignity; they should have a right to have enough income to take care of these things themselves.

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Charity has nothing to do with eliminating poverty. All charity does is perpetuate it, and at the same time, by people giving to charity, they can assume that the government is not going to be doing much; it almost lets them off the hook because the government relies on the generosity of our neighbours to give to programs that people really should be able to handle themselves economically. We're not a poor province. Even though we are now a have-not—I guess we gained that status this year—we're still not a poor province. We still can afford to deal with things. I think we just have to look at our priorities.

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

Ms. Angela Browne: Okay. People with disabilities—of all people on ODSP, 86% do not have children. In fact, most people on ODSP are single. They're single because they cannot get married, and if they get married, the person's marriage partner has to end up supporting them. The person's marriage partner—50% of their income gets taken off the person with the disability. Where else in the program, anywhere else in this province, does a person with a disability who's collecting any other benefits lose money because a spouse is working? They don't if they're on workers' comp; they don't if they're on LTD; they don't if they're on CPP; they don't if they're on EI or any of the other myriad of social benefits, except ODSP or OW. I know that there is going to be reform of these two programs. I would like to see some of that being done, and I would think that people who are currently living in poverty should be involved in the redesign.

The ODSP Action Coalition has a list of demands, which I handed around. You might have heard about these before, but it doesn't hurt to hear it 20 times. I'm a very active member of the group. I'm co-chair of the employment supports and earnings group.

I just want to take the province to my final point, the fact that recently it has made a decision to start somehow digging money—billions of dollars—out of a magic hat to give to GM and other automakers, and perhaps even other industries that may come forward that are suffering from this recession. If GM is able to get these billions of dollars, just on the government taking the money out—whether it's a loan or a grant, it doesn't matter; the government has to take the money from somewhere—I would really expect that the government would take an equal amount of money out and put it toward its poverty reduction program.

Poor people do not eat out. Poor people do not buy stuff in stores. Poor people do not go to the show. Poor people do not buy clothing. Poor people do not go places. What happens is, poor people are not stimulating the local economy. If they had more money to spend, you would have an economic stimulus package right there. The poor people would be shopping locally and they would be supporting local businesses. Then, once they start being able to get jobs and supporting themselves, they'll be able to buy cars too. Then the auto sector can start experiencing a bit of a rebound. But what we have right now is that we want to give money to the manufacturing sectors. I'm not saying they don't need it, I'm not against it, but I'm just saying that if you can find the money for them, you can find the money for the poverty reduction strategy too.

I'm going to be keeping a good watch on this, as well as all of the 1,500 people on my e-mail lists, the ODSP Action Coalition, the Canadian Association of Professionals with Disabilities and other associations that I'm in contact with and work with, because, if we don't see something coming out of the budget where there's a substantial down-payment, maybe at least a 20% increase for people on ODSP or some other investments in employment supports and other work for these people, I think that there are going to be some questions asked about where our government is placing its priorities.

The Chair (Mr. Pat Hoy): Thank you, and the questioning goes to the government.

Mr. Charles Sousa: Thank you. It's appropriate, I guess, that you're the last one to speak to us today.

Ms. Angela Browne: Oh, am I?

Mr. Charles Sousa: In terms of what we do, as members of the finance committee, we look at ways to balance the books appropriately, distribute funding as necessary for our budget consultations and, of course, the majority of times that we speak—we hear about some of the needs of the community. In your case, it's effective in terms of our priority in breaking the cycle of poverty. It's a huge issue, and you certainly highlighted much of it. It's also a matter of importance to try to strengthen our economic and competitive advantage by dealing with those most vulnerable so that they too can be active members of the community and, as you say, stimulate the economy. The best strategy, I would think, and you've highlighted it, would be public education and public health care, increasing our child benefit. It would be nice if we had a federal child care initiative, as was initially put forward—

Ms. Angela Browne: That you can claw back?

Mr. Charles Sousa: You know, there are a lot of things that you've discussed. We do have an ambitious target, but we have to be realistic. Reaching our budget will also require, as you mentioned, provincial investment, federal investment, and this in turn will support more jobs and economic activity. So the transportation—

Ms. Angela Browne: So I hope you'll tell that to—

Mr. Charles Sousa: I'll come to a question in a second. The transportation issue and the infrastructure is one point of contention, and I think we need to address it. What would be your second priority?

Ms. Angela Browne: For Niagara region itself?

Mr. Charles Sousa: Yes.

Ms. Angela Browne: The first priority, I guess, would be regional transit because they don't have it. People are suffering for it. It's costing the region a lot more money and it'll eventually cost you more money because you're uploading some of the supports. Also in Niagara region, there have to be more jobs, created jobs. My last job paid me $85,000 a year. I'm not going to be working as a Wal-Mart greeter, not with the university and college education I have and not with the professional licences that I hold. There's no way, and I don't see any point in it. If I have a problem where I can't drive—that's the only thing that I can't do—I think that's not my problem. It should be dealt with by the region.

I also think that economic development should be focusing—we need to be moving away from manufacturing, in some ways. I think we're going to the days of the blacksmith, where the blacksmiths are all protesting because they're no longer needed. What are we supposed to do? Keep funding them so that they continue to make things that people no longer want? I think we have to look at retooling our economy and focusing more on the specialized manufacturing firms, some of whom I do represent in a legal capacity. They're doing very well. These are the ones that actually should be getting our government's focus, because these are the ones of the future, that are going to be creating specialized jobs in the future. But in terms of other jobs, there need to be jobs in social services, finance, education, training institutions, information management, different types of jobs for people who are trained otherwise, because people are not staying in this region. They're leaving. Unfortunately, and sadly enough, that might have to be my choice too, because I can't afford to live here if I have to keep paying $70 to take one trip to Welland. I think that if everybody had to, there'd be a civil war.

Mr. Charles Sousa: Thank you for your presentation.

The Chair (Mr. Pat Hoy): And thank you for appearing before the committee.

We are adjourned. The bus will be out front at 3:45.

The committee adjourned at 1529.

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