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**Official Report  
of Debates  
(Hansard)**

**Monday 25 February 2002**

**Standing committee on  
finance and economic affairs**

Pre-budget consultations

**Journal  
des débats  
(Hansard)**

**Lundi 25 février 2002**

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

Consultations prébudgétaires

Chair: Marcel Beaubien  
Clerk: Susan Sourial

Président : Marcel Beaubien  
Greffière : Susan Sourial

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Monday 25 February 2002

Lundi 25 février 2002

*The committee met at 1000 in the Holiday Inn, Sault Ste Marie.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr Marcel Beaubien):** Good morning, everyone. If I can get your attention, I'd like to bring the standing committee on finance and economic affairs to order. This is the first day of our pre-budget consultations for the year 2002. For the record, I would like to point out that the committee will be meeting, besides today in Sault Ste Marie, on the 26th in Windsor and the 27th in Toronto at Queen's Park. We will also be meeting on March 4 and 5 in Toronto at Queen's Park, March 6 in Cobourg, March 7 in Kitchener-Waterloo, and March 8 in Barrie, Ontario.

For the members and staff, I would also like to point out that we have to check out by noon today. If you cannot check out by noon, I would strongly suggest that you make other arrangements with the hotel, because apparently there's a number of people coming in later on today.

FIRST NATIONS INDEPENDENT  
FUEL HANDLERS ASSOCIATION

**The Chair:** With this, I would like to invite our first presentation this morning, from the First Nations Independent Fuel Handlers Association, if you could step forward, please, and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

**Mr Willard Pine:** I might not take that long.

Thank you very much, honourable members, for the opportunity to speak to you this morning. I'm Willard Pine from the fuel handlers association. I'm from Missisquoi First Nation, not too far from here. My partner is Randy Naponse from Whitefish First Nation.

We have been established since 1996, the fuel handlers association. We formed the group because of the rebates, where we were having problems with our own people, from the province not returning the rebates regularly. They have been returned in sometimes eight to 10 weeks, so when the person wants to buy fuel and he doesn't have the money to pay for the drop of the fuel, then he goes under. This has been happening quite regularly with our people.

Our people are having a hard enough time trying to stay in business on First Nation reserves. With us being formed in a group, we have helped them a great deal, but they're still having problems with rebates. When we put our chits in—what we call "chits" are the white gas cards that we have to run through for each individual person who purchases fuel—we have to collect that rebate, and sometimes it comes to around \$3,000 or \$4,000 in a week because of the amount of fuel we sell. When the province doesn't send that right away, then the person goes under; he's not in business any longer.

When we started our group, we had meeting after meeting with the province. As we went along, we formed another group to purchase our own fuel, to establish for our own people to buy fuel from themselves as a co-op, a co-operative group. We're incorporated. We've got our export-import licence to purchase our fuel. Each individual First Nation is going to buy a share and is going to own part of this group that is formed by the fuel handlers. Right now we have sold 25 shares, but we had to stop because the securities commission has to get involved some way or another, I guess.

With us purchasing our own fuel, the cash flow from the rebates that are being distributed back to the First Nation will go into our own organization as a fuel handlers association. This amount comes to around \$3,000, sometimes \$4,000; it all depends what the price of fuel is at that one reserve.

We went along in saying that as we sell fuel from each individual fuel handler, we will put a penny back into the organization and put it into the account of the fuel handlers association, plus the rebates that are going to be there. With the money that's being accumulated, we will be able to help our own First Nation people to build schools if we have to, plus build a senior citizens' or sports complex from that one penny that we distribute. We went as far as to say, why not just say half a cent to each First Nation from the fuel handlers association for a building or whatever they want? But it will be controlled by the fuel handlers association because we've got lawyers who are working for us now and we have accountants working for us also.

This should create some employment for our own people, which would be great because a lot of our First Nation people don't have employment. They're having a hard time. With us distributing our own fuel, we'll have truck drivers, we'll have people in the office, we'll have people in Sarnia at the refinery, so it's going to employ quite a few people.

Again, we have problems with our rebates, as I said earlier, because of the card system. The card system is just a white card. We have to swipe that in order for us to get the rebate, and the name of whoever owns that card has to be on there. But there are a lot of fraudulent cards out there. They hand them to you, and if you ask the person, "Is that your card?" they get very defensive. It's probably not their card.

Two years ago we got together with Indian Affairs. We were going to make three cards in one: the status card, a gas card and a treaty card together. For two years we had that in the works. We were just about ready to go and Indian Affairs pulled out. They said they didn't have any money, so that put us in a bind. We couldn't go ahead any more, so we met with the Minister of Finance—that's the tobacco tax finance minister. What we're doing now is just going with the white card alone. Indian Affairs said, "We'll come later on," but we have to do double that because it's going to cost us more money.

What we're planning on doing, what we're talking about doing, is putting a picture on the gas card plus a bar code embossed. A POS system is being implemented also, so when this POS system comes in we'll be able to swipe our cards regularly and the Ministry of Finance will get whatever is sold that day right away instead of two weeks down the line. Once this swipe card system is in place, they said the turnaround time of the dollars being returned will be one week.

It will save a lot of headaches for our own people and it will help the Ministry of Finance also because they won't have to do so much paperwork. We toured the Ministry of Finance's office and we saw boxes stacked high, right up to the ceiling, from each individual gas handler. Those are the remittance dollars that are required. It's just full; that whole place is just loaded with paperwork. With the computer system, the POS system, it will just swipe at the end of your shift, it will go to the Ministry of Finance, and that will be it for us. They will have the number of litres that were sold that day and there will be no more paperwork for us. We have to sit around sometimes until 2 o'clock in the morning doing our card system, because we've got to add them all up. So with the POS system, that would save a lot of work for them and for us.

#### 1010

So this is where we're at with the ministers. I've got a meeting with the ministers again tomorrow to implement this card system. Like I said, it's been going on for the last four or five years. With our fuel handlers association we've worked many, many hours since 1996. We've travelled to Edmonton. Edmonton has already started this card system, the POS system, and it's working well over there. We toured the reserves over there, and they said it's really a benefit to them because it means no more handwork, no more writing on a piece of paper. All they do is just swipe.

So this is where the fuel handlers are at. I hope I covered everything in this paper. We've hired lawyers.

We even hired Charles Harnick. I guess he was deputy minister at one time. No, not deputy—

**Mr David Christopherson (Hamilton West):** He wasn't that high up.

**Mr Pine:** No, not that high up. He was the minister of something. He's working for us right now. That's what we have to do in order to get ahead with this. It makes me feel good to see that we are all helping our own people. Money-wise, it'll also benefit everybody on the First Nation. His reserve will put a penny or half a cent into his organization so that they can build something in each First Nation.

**The Chair:** Does that complete your presentation?

**Mr Pine:** Have you got anything to say?

**Mr Randy Naponse:** You covered just about everything.

**Mr Pine:** Well, he said not too long.

**The Chair:** We've got time for questions, about two minutes per caucus. Thank you very much. I'll start with the official opposition.

**Mr Michael A. Brown (Algoma-Manitoulin):** So that members know, Willie's Gas Bar is just this side of Blind River on the Mississagi First Nation. So when you're driving through the area, I'm sure he'd appreciate seeing you.

**Mr Pine:** I do.

**Mr Brown:** What you're telling us, Willie, and I've heard this from other retailers, especially, is that this is a real problem with First Nation gas retailers, and that what really needs to happen is that we address the card problem. The ministry seems interested in doing that but they're just very slow in implementing it. Am I getting this right?

**Mr Pine:** Yes.

**Mr Brown:** So you would like this committee to recommend to the Ministry of Finance that they get on with the administration. Everybody seems to understand the problem, but it's just that molasses might be the way we describe the process.

**Mr Pine:** That's the way it has been for the last six years. We think we seem to be getting ahead and all of a sudden something happens again. So we're just dragging back and forth and are not moving as fast as we want to be moving. We've put a lot of dollars into our own pockets, me and him, because we want to travel and promote this whole thing to the other people.

When a First Nation person goes down, he's put his life savings into this whole business. When they phone, they're just about crying, because it's employment for them and it's employment for a couple of people in the First Nation. The hardest part is when you know you're failing. I don't want to fail. That's the heart of the whole First Nation. They put pride into something they do. They're so proud of establishing a business in a First Nation because they're First Nation people. It's just greatly disappointing when you know a person has gone down, and there are quite a few who have gone down now. They phone me and say, "We're trying to better this whole situation for us by buying our own fuel, distribu-

ting our own fuel at a rack price.” This way we have a better chance of surviving, because we have to pay the middleman when they deliver fuel to our First Nation, which we’ll pay ourselves, because we’ll be delivering our own fuel. The organization will have a bank account where all the money will be distributed from each First Nation, even the investors.

**Mr Christopherson:** Thank you for your presentation. If I’m understanding correctly, they’ve gone ahead since 1996 in Alberta, and you make reference that the Maritimes and Saskatchewan are looking at this. Have they done a review and determined whether or not there are problems? In other words, do they regret they’ve done this or is it working fine? I guess what I’m trying to do is establish whether or not the Ministry of Finance in Ontario has legitimate reasons, based on a review of the model that you’ve held up as one you’d like to see implemented in Ontario.

**Mr Pine:** In Alberta, we toured the reserves where they have already implemented their POS system. When we talked to them, they said, “This is the greatest thing that’s happened in our First Nation.” The ministers are happy, just the way they are over there, with how it is being implemented, with the gas cards and how the rebates are returned much faster than they used to be. It used to be eight to 10 weeks. Even here now it’s still eight to 10 weeks. Over there, when they do the swipe, it’s automatically in the computer. At the end of your shift, you just total the whole thing and it goes to the Ministry of Finance, tobacco and fuel.

**Mr Christopherson:** Based on that, sir, what is the response from the Ontario Ministry of Finance when you say, “Let’s get on with this,” and they say, “Yeah, but....”? What’s the “Yeah, but”? What exactly is their problem as they’re identifying it to you?

**Mr Pine:** No money.

**Mr Christopherson:** What’s it going to cost them?

**Mr Pine:** It’s going to cost them—what is it?—\$8,000 for one POS system, and it’s going to cost us the same amount, because we have to integrate with their machine, with their POS system. We’re all set to go because we’re trying to get funding from ABC. ABC said they would do 50%, so we’d have to put in the other 50%.

**Mr Christopherson:** But this is the same government that made a major commitment to assisting First Nations in becoming more self-sufficient and setting up businesses. So if I’m understanding correctly, that’s not much of an argument for them. They can’t very well say, “It’s going to cost us money to make this happen,” on the one hand, but on the other hand say, “However, we’re keen on helping First Nations get a stronger business footing.” You can’t have it both ways; that’s the way I see this.

**Mr Pine:** The way they put it to us in the meetings that we go to is, “We have to see our higher up in order to look at our budget.” Then all of a sudden they’ll come back in the next meeting and say, “We don’t have the money.” That’s the answer the Minister of Finance gives us, but we don’t believe that, because how could it be?

It’s going to save them a lot of money, and it’s going to be better for our businesses also.

**The Chair:** With that, I have to go to the government side.

**Mr Joseph Spina (Brampton Centre):** I’ll just make this very quick. Thank you, Mr Pine. Are you in contact with the Ontario Fuel Dealers Association?

**Mr Pine:** Not yet, no.

**Mr Spina:** I would make a suggestion that you may want to, because there is a task force right now that’s consulting with various industries regarding retail sales tax, for example, and that organization is on that committee. I brought forward the issue of the First Nations’ situation and the problems they’re having with the cards and also with dealing with purchases in general, not just with regard to fuel dealers.

Partially maybe in response to your question, David, I know that the ministry, from the minister’s perspective, is exploring various ways to try to make the system simpler, cleaner, better; a little less red tape for all of them, for the fuel dealers. We brought forward the issue of the aboriginal card, so it really is an issue that we have brought forward. I brought that forward to the committee, so it is under consideration. They are going to be looking into it in the next month or so.

**Mr Pine:** OK, great. Thank you.

The only people we talked to are the Sunoco people down in Sarnia, at the refinery. They even had their tax people there when we had the meeting with the group in Toronto, and they gave us all the information we wanted on tax issues, what we have to pay, your gas tax and your GST. So this is what they put together for us. They are the only people we talked to, from Sarnia and Toronto.

**Mr Spina:** Well, your input is valuable. Thank you, sir.

**The Chair:** We’ve run out of time. Gentlemen, on behalf of the committee, thank you very much for your presentation this morning.

**Mr Pine:** Thank you very much for letting us be here. I wish I knew everything would work out for us.

1020

#### MISSANABIE CREE FIRST NATION

**The Chair:** Our next presentation is from the Missanabie Cree First Nation. I would ask the presenter to please come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

**Chief Glen Nolan:** My name is Glen Nolan. I’m the chief of the Missanabie Cree First Nation. I’d like to welcome you to Sault Ste Marie. This is our adopted home for the time being because, as some of you may be aware, we are a band without a land base. Our community is spread out right across Canada, so we’re more in tune with what’s happening in other locations than what is offered here in Ontario. Our part of the Treaty 9 area—for the time being, this is where we are.

First of all, I'd like to just give you a brief background of the Missanabie Cree. In 1906 we participated in the treaty process. Since that time, we've been asking for our land back and it just hasn't worked out yet, and we're not sure why. But we're getting closer to it. We are in negotiations with Ontario and Canada through the treaty land entitlement process. It's the first of its kind in Ontario. It has been done exhaustively out west, but because of the uniqueness of Ontario participating at the treaty table in 1905-06 and then again in 1929, they are at the table, which is very unusual for a TLE process.

In 1992 we actually started receiving funding from the federal government. They recognized us as a distinct and separate First Nation from any other organization in the area, so they started funding our office and some of the operations we do today.

It has been a long journey, obviously. In the last 10 years we've grown substantially. We offer a number of programs to our members across the country. It makes us very unique. Because we are essentially off-reserve, we can't offer anything that would be considered on-reserve, so we're very unique in that way.

We're also very progressive. We understand the need to expand our operations to include economic development as part of our process, because we just don't have any program dollars. To be quite honest, there isn't a First Nation out there that will get rich or be able to self-sustain their operations just from the program dollars that the federal government and some of the other programs offer through the Ontario government.

From that perspective, we saw opportunities over the last few years to purchase a fishing camp in our traditional territory. We are in the process now of expanding that operation to include an ecotourism and cultural tourism component, and we're trying to work that into the existing operations. It was an expensive venture, and we're quite proud of the fact that we did it without any money in our bank account. Essentially, we did it through some creative funding proposals to the different funding organizations out there. We won their support, and now we are owners of a fishing camp. We employ our own people. We have a manager in place who is a member of our community. We're hoping for better things from that camp and expansion into the future.

We've also purchased a small parcel of land—it's about 16.4 acres—from the Ministry of Natural Resources. Actually, we signed the cheque in January. That is to facilitate any development in our traditional territory into the future. We would consider that an industrial site, so that when we start to develop and we start to build in our own traditional territory, we can have an industrial park in there.

We have been very proactive in seeking out partnerships with forestry companies, with other operators in our traditional territory, to partner with them to develop long-term business relationships. We're very happy and very pleased that Weyerhaeuser has worked closely with us in developing a strong relationship. Also at that same table we have the Ministry of Natural Resources, which is

assisting us in walking through that process to develop this long-term strategic development within the partnership. Out of that, we're probably going to be receiving revenues through contracts and through business developments within the forest industry in excess of \$1 million at the end the signing of this contract with Weyerhaeuser and the upcoming agreements that we're going to have with other companies in our area, including Domtar, Tembec and Buchanan Forest Products.

From my perspective, we need the government to have some important considerations when you are making your decisions on some of the financing arrangements you have with your different ministries.

The biggest support we have right now in our negotiations with Weyerhaeuser is the Ministry of Natural Resources. Any cutbacks to their programs will have a detrimental effect on the success that we are seeing right now at our forestry table. They are also helping us in the areas of looking at some summer work-related programs for our youth. We have a venture right now working with them to develop a Junior Ranger or an Ontario Ranger program that is exclusive to our First Nation and to our members and working with their operations through their provincial parks or with the different programs that they offer. That one is jointly funded. We provide the material for our young people to paddle and to operate, and the Ministry of Natural Resources will be providing the salaries for that operation. That's obviously crucial for us to build capacity into the future, by having our young people working there.

We've also worked closely with the Ministry of Northern Development and Mines. Again, any cutbacks in that area—taking officers away from our traditional territory, taking away access to us—makes it harder for us to get information or to develop our own strategies. It would make it very difficult for us in the future if we saw any of those cutbacks.

Obviously we've worked very closely with the different ministries because we've had to. It's interesting. I had a young member attend a meeting with me in Toronto with the Ontario Native Affairs Secretariat, one of the assistant ministers, deputy ministers. This young man is a law student at the University of Toronto and his eyes were opened to the process, because essentially every time we go to the government, we go there with our hands out. We're always asking for money. In his words, "We're always begging." We don't want to be that way. We want to be self-sustaining. We want to have the power to decide where we want to go with our community and when we develop our different initiatives, and we don't want to always be going back to the government for special handouts and special consideration. But we need to start at a certain place, and for our community it's very difficult because we don't have a land base and we don't have the financial support from the federal government to develop an economic development program. We get \$1,500 a year to do economic development for our community.

We do see the value of some of the things we're doing. We have to spend some money to make money. We have a number of initiatives out there that are generating income for us, and we also understand the importance of off-reserve development or off-traditional-territory development. It is crucial to our success. Even if we were to have our land base tomorrow, there's no way we would be able to generate the income that we would need to support us. So we understand that developing businesses in locations like Thunder Bay and Sault Ste Marie is critical, and even further afield to accommodate some of our members who live in locations like Vancouver and Halifax.

#### 1030

Some of the other programs that we've been assisted with through different government agencies include some of the training they offer through the Ministry of Natural Resources. They offer forestry training for our members who want to attend, free of charge, so that we can build capacity within our community and ensure that when we sit at the forestry negotiation table, we understand what they're talking about; we can speak their language.

Our second recommendation is to make funding for First Nations through the northern Ontario heritage fund, through the different programs that the Ontario government has, like the Ontario aboriginal economic development program, more available to us. Develop a larger pot of money. If you want us to be self-sufficient, you're going to have to provide that initial funding support; otherwise we're going to remain in the same position that we've always been in. We hear all these accolades that we're the best country in the world. If you've ever travelled up north in our communities, you don't see that. We're Third World, and that's the reality that we're facing up there. I guess I'm speaking more globally now, but we definitely need creative thinking, and I think the individuals in those communities are thinking that way, but we need the support from the province.

The promotion of partnerships between First Nations and non-First Nations businesses is crucial in our success. I'll give you an example of what we're doing. We find a logging operation in our traditional territory. The gentleman or the individual who is working that is a small operator and sees that in the end, in 10 or 15 years, they are going to retire. So we approach them and say, "Look, we want to buy into your business, 51% ownership; we will guarantee you a contract." They'll say, "I'm giving up half of my business." We say, "We're guaranteeing you contracts for the next 15 years because we have those contracts guaranteed to us from Weyerhaeuser." Weyerhaeuser's concerns are addressed because we're bringing in someone who has the track record, the experience and the equipment to do the work. We then tell the operator, "Over the next 10 or 15 years," whatever the term of our contract is, "we will eventually buy you out. We'll buy out all your equipment." They have no guarantee like that right now, that they can retire with some cash in their pocket.

Because they are a small-time operator, they're taking a risk. We're taking that risk as well, but we see this as a win-win situation. We're not raising the costs of any of the contracts to Weyerhaeuser. We're accessing these operators with minimal cash investment, but we're building capacity, we're developing managerial skills within this operation, plus we're gaining experience by having our members working as loggers or whatever the business is. Then, when the contract is complete and we purchase it out, that company becomes ours and we have the skill and the track record to proceed with that. I believe the government has a role to play in the development of that partnership model.

There is a program that's offered through the Canadian Council for Aboriginal Business, a progressive aboriginal relations program. There are some companies that have been recognized for their advancement of the partnership model. Syncrude in Alberta and Cameco here in Ontario and in Saskatchewan have been recognized for their work; the Bank of Nova Scotia and so on. But we're looking at smaller operations to help us and assist us in our process, and we need the government to recognize that and to promote that partnership model into the future.

Of course, I'm always going to give a plug for our First Nation. We have done an awful lot. As you can see from the handout, some of the work that we've done has been done within the last six months, since I was elected, not just because of me but I think the new chief and council brought a vision to the table that said, "We have to do this. We have to actively pursue economic development as a strategy to bring us beyond where we are now. The only way we're going to do that is to foster partnerships and to look at creative business development out there."

We have done an awful lot. We've bent the ears of a number of politicians over the last six months. I met with the Minister of Finance a couple of weekends ago in my home community of Atikokan. I just have to tell you, the uniqueness of our First Nation is that I live in Atikokan; our office is based here. One of our councillors lives in Edmonton, another one lives in Marathon, another one in Sudbury, and two councillors live in Sault Ste Marie, so we have to be very creative whenever we meet. Obviously, the cost is considerable whenever we travel here, but we do that on a limited basis, knowing that it is important to meet face to face occasionally. But that's what makes us unique and makes us very creative in accessing the funding that's out there.

You'll hear from us often, and you're going to hear from us probably through your different caucuses, that this is what we're doing. We need our land back, essentially. We've done an awful lot without our land now. We need our land back. If we don't have our land back, we're going to stagnate in this place.

Meegwetch.

**The Chair:** Thank you very much. We have approximately a minute per caucus, and I'll start with Mr Martin.

**Mr Tony Martin (Sault Ste Marie):** Thanks for, obviously, coming a distance to be here today and actually making such a very constructive and positive presentation. Even though you don't have a land base, you're certainly doing a lot of really exciting and positive things.

One of the recommendations I hear you making very clearly—and it's certainly a recommendation that could come from any community in northern Ontario because of the difficulty we have up here in sustaining an economy that is long-term and long-serving—is that the government continue to be a partner, a player, because without government it's just that much more difficult and, in some instances, may be actually impossible.

Could you speak a little more about that? You mention in your recommendations at the end, "Government ministries continue working with us." What ministries are you talking about, and specifically what are you targeting here?

**Chief Nolan:** We've had a very good relationship with the Ministry of Natural Resources and more of a distant relationship with Northern Development and Mines. But both of them have provided us with expert advice. They've provided us with assistance in having meetings here in the Soo to meet with Weyerhaeuser. They've been very constructive in their proposals to bring Weyerhaeuser's interests and our interests together so that we can advance our negotiation table to be an entity in the logging operations within our traditional territory.

**The Chair:** Thank you very much. We'll go to Mr Hardeman.

**Mr Ernie Hardeman (Oxford):** Thank you very much for the presentation. As Mr Martin suggested, it was very informative. I just wanted to draw a little bit more on the partnerships. I think everything in society works better when you work together with someone. I was intrigued by your presentation on getting into partnerships with small operators and being the broker between the two and over time then becoming the provider of that entity. Could you explain that to me again, just so I understand it? What would be the driving force for the smaller operator to accept your offer? Why would he want you to take over part of the business? Can you make the sale better than he could? What's the driving force for that?

**Chief Nolan:** The federal government offers a procurement strategy right now that says that if you're a First Nation business, 51% owned, they will consider your supply or your service business on an equal footing, even if we don't have the track record.

But what we're suggesting is that we get into a business with an existing operation that has a track record and we still continue to own 51% of that business. It allows that company a guaranteed contract. With the forest operations, there are 10 loggers out there and they all want a piece of the pie. We can go to one of them and say, "You're guaranteed to get a piece of that pie." It's going to be at a reduced rate, obviously, because we're

going to be 51% owners, but we're also going to share in a long-term commitment to this contract. It's not going to be for one year; it's going to be a contract that's going to go over a five-year or a 10-year period or even longer, depending on the success of the initial partnership. That's how we've seen that partnership being very successful. More and more businesses are opting for that; they see that. Also, the person can then retire with some cash in their pocket.

**1040**

**Mr Brown:** Good to see you, Chief Nolan. I was just interested in what the traditional land claim area may be. I'm gathering it's up through the Chapleau game preserve and that area around Missanabie in general. Would that be correct?

**Chief Nolan:** Yes.

**Mr Brown:** Also, Weyerhaeuser has a sustainable forest licence in the area?

**Chief Nolan:** Yes.

**Mr Brown:** How large do you anticipate the First Nation will be when the federal and provincial governments come together finally to agree to transfer the crown land that is yours back to you?

**Chief Nolan:** It's all based on a treaty formula of 128 acres per member. There's obviously the difference between when the treaty was signed in 1906—the government of Ontario says that's the time, but obviously our position is different: that it has to go with present-day numbers, which is in the area of 350 members, just because one of the treaty conditions was that we receive our land at the time of signing, and that wasn't fulfilled.

**The Chair:** With that, we've run out of time. On behalf of the committee, I would like to thank you very much for your presentation this morning.

**Chief Nolan:** Meegwetch.

#### SAULT STE MARIE AUTISM CHAPTER

**The Chair:** Our next presentation is from the Sault Ste Marie Autism Chapter. I would ask the presenter or presenters to please come forward, and please state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

**Ms Saralyn Handley:** My name is Saralyn Handley.

**Mrs Louise Larocque-Stuart:** Louise Larocque-Stuart.

**Ms Handley:** I will be presenting on behalf of Mrs Larocque-Stuart today. My name is Saralyn Handley, and I work every Saturday with Louise's son Oak, who is severely autistic. Mrs Larocque-Stuart has developed a serious case of laryngitis, a condition she frequently experiences when faced with extreme strain and stress. Preparing for this presentation today was an added task she took on along with all of her usual responsibilities of ensuring her child's needs and programming are met.

Her brief states:

I thank you for the opportunity to appear before the standing committee on finance and economic affairs. I



have provided each of you today with a copy of my presentation in order to ensure that my comments today are not forgotten when it comes time for you to report your findings and your recommendations to the Legislative Assembly for its consideration. I am here today speaking on behalf of parents who live with the challenges of raising an autistic child and for the right of all autistic children to be treated equally no matter what age, race or gender.

With the introduction of the Ontarians with Disabilities Act, Bill 125, last December, 2001, the government of Ontario has displayed strong evidence that they are committed to ensuring that persons with disabilities can experience the same fullness of opportunity as all Ontarians.

In the preamble of the act, it states, "The people of Ontario support the right of persons of all ages with disabilities to enjoy equal opportunity and to participate fully in the life of the province."

I commend the government for having taken the first steps toward ensuring that inclusion for people with disabilities becomes a reality. In the meantime, though, another reality exists as well, namely, exclusion of people with disabilities from opportunities. Along with those incidents of exclusion, there will continue to exist huge moral, social and economic price tags on both health care and education in the province of Ontario.

The Ontarians with Disabilities Act, Bill 125, does not specify when inclusion begins and what experiencing the same fullness of opportunity as all Ontarians is considered to be. I truly hope that subsection 19(2) of Bill 125 does not fool the government or anyone else into thinking that all angles are covered. Subsection 19(2) states that a majority of the members of the Accessibility Advisory Council of Ontario will be persons with disabilities. Only too often, these individuals who have disabilities are too young to speak for themselves, and many of their parents are too exhausted or have become ill themselves due to the enormous strain and responsibility of caring for a special-needs child.

Let me tell you about the adventure which my husband and I have embarked on over the past four years. In February 1998, a wonderful little boy named Oak came into this world nine weeks early. This past Saturday, February 23, Oak turned four years old. By the time our son was 15 months old, we—my husband and I—had a nagging realization that something was not quite right with the way our son was developing. We shared our concerns with our pediatrician, who finally, after several visits, began a referral process to professionals. Scheduling to see professionals, however, proved to be trying, with long waits for appointments, and delays. As well, the professional whom we saw last was the one who completed the whole picture of our son's limitations. It is truly ironic that Oak's biggest disability was the last one to be diagnosed.

Most of the year 2000, February through to November, proved to be an emotional roller-coaster ride for my husband and I. Please take a moment to put yourself in

our shoes. Imagine it is your child or grandchild who is the person being diagnosed.

It all started with: one, a diagnosis of moderate to severe hearing loss, requiring Oak to wear two behind-the-ear hearing aids; two, a diagnosis of cerebral palsy. Oak is in the 1% to 2% of cerebral palsy children who have low to no muscle tone. He is extremely flexible, and at times clumsy. Last but not least, in November 2000, we finally received the diagnosis which completed the whole picture—Oak is severely autistic.

Just to get this far, we had to push, we had to prod and we had to question. We had to fight for our son's rights. We literally had to push ourselves past the point of exhaustion just to try and find out what was wrong with our son. Up to this point we were one of the luckier ones, for we had acquired the autism diagnosis when he was just under three years of age. Many parents of autistic children do not receive a diagnosis as soon as we did. Some have to go to larger cities, like Toronto. Our son was premature, which gave us access to the infant development program through our local health unit, which in turn had access to the only local developmental psychologist, who was the one qualified to make such a diagnosis. Unless you have a diagnosis, you cannot move ahead and apply for programs and funding. As well, not all autistic children have parents with the skills, the ability or the knowledge to stand up and advocate on behalf of their child. I stand here before you today representing all families of autistic children, because they all deserve equal opportunity and treatment.

After receiving our diagnosis of autism, all my husband and I could think about was the precious time that Oak had lost to date. With autism, the earlier the diagnosis, the better prognosis for development and learning. Unfortunately, we had to wait another four and a half months before we were able to put adequate programming in place for our son Oak. I will touch upon the type of programming later in my presentation.

Autism is so different from any other disabilities. Just imagine the grief—the horror—of having your child not wanting to be hugged or held by you. I would not wish this awful experience on anyone. In essence, it robs children of the very characteristics that define us as humans: empathy, love, language and play. It is safe for me to say that unless you live with it in some shape or form, you, the average person, are incapable of understanding what the implications of this condition can be on the individual and the family.

Despite the disruption of the learning process with autistic children, there is an effective method for teaching them. This method is known as ABA, applied behaviour analysis—or IBI, intensive behavioural intervention, as it is referred to in Ontario. Dr Ivar Lovaas and his associates at UCLA have demonstrated that intensive early intervention can significantly improve the functioning of autistic children. Two follow-up studies, published in 1987 and 1993, have shown that nine out of 19 children who received intensive behavioural treatment were able to successfully complete regular education

classes and were indistinguishable from their peers on measures of IQ, adaptive skills and emotional functioning. Even among those children who did not attain the best outcome, there were significant gains in language, social, self-help and play skills, and all but two developed functional speech. Unfortunately, it is an expensive treatment: between \$40,000 to \$60,000 per year. Only those with a decent income can pay this for their child. Two-tiered health care has existed for some time in the world of autism.

#### 1050

The province of Ontario announced that it would be funding IBI less than two years ago, shortly after a lawsuit for the discriminatory treatment of children with autism was launched against the government. Unfortunately, there just aren't sufficient dollars being spent in this area to meet the demand of children being diagnosed.

The government of Ontario needs to fund this much-needed program for all autistic children in the province. I have learned that in the Algoma district we have 20 children under six years of age eligible for the program; only seven are receiving funding. Due to time restraints, and not receiving responses back to some of my calls and e-mails, I am not able to make available for you provincial statistics outlining the number of children being diagnosed with autism, and the number actually receiving IBI. Attached, though, you will find recently released statistics showing a drastic rise in autism diagnoses in the United States over the past 10 years. A similar pattern has occurred in Canada as well.

Once we had Oak's autism diagnosis, we were unable to get him into the provincially funded IBI program right away. The presentation to you today is not the forum to provide possible explanations as to why Oak did not get in. Let's just say that at that time there were a lot of families who were all striving to get their child into this program. As well, many older autistic children just missed getting into the program because of their age. You see, once autistic children are six years old, the privilege of receiving provincially funded IBI intervention is pulled right out from underneath their feet. Unfortunately, Dr Lovaas's research only examined the positive impact of early intervention; he did not take this a step further to explore the impact of ongoing intervention. This was, at the time, due to funding limitations. However, nowhere in the literature does it state that ABA or IBI should be discontinued after six years of age. This is the interpretation of the Ontario government. IBI intervention needs to continue on into the school system, for currently special education services in the school are incapable of meeting the complicated needs of autistic children.

By depriving six-year-old and older autistic children of the right to receive IBI intervention, this government is engaging in discriminatory practices. The message being delivered here is quite clear: once autistic children turn six, they no longer require specialized programming and so this critical funding is being cut. Let me ask you, is the funding to acquire a wheelchair for cerebral-palsied

children cut off when they turn six years of age, because they are no longer worth investing in? Are children who require hearing aids in order to be able to participate fully in day-to-day activities told that they will no longer receive funding dollars to assist with the purchase of hearing aids because they simply don't need to hear after they turn six? Do we tell the six-year-old cancer victim that once she turns six she will no longer receive radiation treatment because she's too old? Yet we are prepared to tell six-year-old and older autistic children that they no longer need to engage socially, no longer require intervention techniques to help them adapt to their ever-changing environment.

We already know that autistic children and adults do not learn in the same way that others do. So why would we deprive them of the tool that will help them to function in their communities, their schools and their workplaces? All we are doing is robbing them and their families of a life and ensuring that taxpayers will have a huge bill to pay for the care of these individuals throughout their lives—approximately \$5 million per lifetime.

As mentioned earlier, our child did not get into the IBI intervention right away, when we needed it. What happened? I had to regain my energy once again to start advocating for Oak. My current child care provider was having difficulty keeping Oak five days per week. In the real world, moms and dads who both work require full-time daycare for their children. Quitting our jobs was not an acceptable solution. It would have deprived us of the opportunity of participating fully in the life of the province of Ontario. Finally, in late March 2001, after more pushing and prodding and advocating, we had the opportunity to participate in a pilot project called the early learning resource program, through the Children's Rehabilitation Centre here in Sault Ste Marie. A very brave daycare took on an extremely challenging child for the first time. In less than five months, we went from three days per week to five days per week. And since late August of last year, Oak only requires a one-on-one worker four hours out of the day. On March 4, 2002, Oak will graduate to requiring his one-on-one worker two hours a day. The early learning resource program is an excellent opportunity, not only to integrate disabled children into the mainstream, but also to give non-disabled children and their parents the chance to see how well these children function and participate in everyday life and activities. I am not sure what we would have done if this pilot project had not been available to us at the time. Oak has come a long way since late March 2001. It has been very exciting.

While gathering my information for this presentation, I learned that there exists an internal government document which states that the Conservative government is considering cutting the regulated child care budget by at least 40%. The same internal document states that the government is also considering completely cutting all funding for regulated child care and family resource programs in Ontario. A petition to the Ontario Legislature has circulated, requesting that this Conservative

government protect the current regulated child care and family resource program budgets. The Conservative government has already cut funding for regulated child care by 15% between 1995 and 1998 and downloaded 20% of the child care and family resource program budget on to municipalities. If this government intends to follow through with another 40% cut in the regulated child care budget, they will not only impact the development of non-disabled children, but they will also make it more difficult for disabled children to experience inclusion and a better quality of life.

As of January 7, 2002, Oak has finally been admitted to the provincially funded IBI program. Through his gains and baby steps, which were documented in the Children's Rehabilitation Centre pilot project, we were able to demonstrate that Oak would be a great candidate for the IBI program. Yes, Mom and Dad are excited, relieved and thankful. At the same time, we have just begun worrying about what will happen once Oak turns six years old. The majority of Oak's IBI intervention takes place in the daycare. This is an absolutely perfect example of inclusion. The church where the daycare is located has bent over backwards for this child. They have made available a private room where the discrete trial-and-error intervention which is so crucial to IBI treatment can occur. Yet, in between the discrete trial-and-error times this child is integrated into the regular daycare activities. None of this would have been possible if it weren't for the fact that we had a treatment room available for the one-on-one intervention. When we decrease Oak's need for his one-on-one worker to two hours per day, this will allow the opportunity to increase Oak's discrete trial-and-error time to 30 hours per week.

Last, but not least, I would like to briefly touch upon the many funding sources for special-needs children and the way these funding sources are implemented. The funding sources I am referring to include: (1) resource allocation—I obtain this through CLA; (2) MCSS special services at home; (3) MCSS assistance for children with severe disabilities—I am not eligible for this one due to the income bracket; (4) out-of-home respite—I receive this through the Children's Rehabilitation Centre; and (5) respite care program—through CLA.

This government needs to take a serious look at revamping their current method of disseminating the funding which families receive for special-needs children. These five different funding sources mentioned, which are the ones I am familiar with, are disseminated by three organizations. There has to be an easier, one-stop shopping method for disseminating all these funding sources. It becomes confusing and at times difficult for parents to implement. Let me explain.

(a) Some of these funding sources require parents to hire and oversee their own employees. Not everybody has the ability or the skill to do that.

(b) Keeping track of the funding is also challenging and not a simple task. It's like having to keep track of paying cheques out of five different bank accounts. Respite care programs tend to pay their employees so

little—I am talking about \$6 per hour—that it becomes almost impossible for agencies to recruit and maintain qualified people. We can boast about the number of different funding sources out there for families, but if they are not getting the respite services they need, then obviously it's not working. The best respite care providers tend to be those whom I find myself, but it is crucial that you do not use and abuse your respite care providers, for like Mom and Dad they too can have the tendency to easily burn out on you.

As well, there are so many different key programs identified in the MCSS and Ontario Children's Secretariat 2001-02 business plan, but there does not appear to be any strategy in place to determine if these key programs are proving to be effective. When the government gives different organizations different pots of funding, they do not necessarily enhance the situation for families. Let me explain.

It frequently creates tugs of war between agencies, for many only receive their funding based on the number of clients they serve. Do you have any idea how many clients on some of those agency lists are getting just the bare minimum of services? Yet their heads are being counted as services being provided. In situations like these, parents frequently must advocate for their child to ensure they are receiving the services they deserve.

#### 1100

Also, the many different key programs identified in the MCSS children's secretariat 2001-02 business plan have created circumstances where agencies tend to develop their services and programs around where money is being made available. As a result, some necessary services may not be made available. Also, parents are left fighting their battles alone, for agencies do not wish to do anything to jeopardize the funding sources they are receiving.

My family is one that lives day in and day out with all of these challenges. In order for us to maintain both our physical and mental health so that we can ensure that our son receives the programs and services he is entitled to, the government needs to address the issues I have raised and ensure funding is in place for all autistic children in this province.

I thank you for the opportunity and for listening to my concerns today.

**The Chair:** On behalf of the committee, I thank you very much for your presentation. You've used the entire 20 minutes for your presentation, so there will be no time for questions. Thank you.

#### COMMUNITY ASSISTANCE TRUST

**The Chair:** Our next presentation this morning is from the Community Assistance Trust. I would ask the presenters to please come forward, and if you could state your name for the record. On behalf of the committee, welcome.

**Ms Shelley Cannon:** Good morning.

**Rev Wayne Putman:** Good morning, ladies and gentlemen. I'm Reverend Wayne Putman, the chair of the Community Assistance Trust. With me is Shelley Cannon, who is our coordinator. I'll do a brief history and Shelley will do the statistical information.

In 1997, the United Way of Sault Ste Marie brought together representatives from service provider groups and interested citizen volunteers to identify the issues which were affecting our community. The results of the forums identified four priority areas, including health, employment, crime and poverty.

In the previous year of 1996, the volunteer centre of the United Way's advisory committee had recommended the formation of a public assistance subcommittee to identify any duplication and gaps in services in our community. This committee held forums individually and collectively with representatives from service provider groups, service clubs and the faith community. The number one priority was identified as being the need for one point of entry where our citizens could obtain public assistance services.

In 1998, the United Way was responsible for initiating the "Building an Extraordinary Community" initiative. The BEC process offered citizens at the grassroots level an extraordinary opportunity to shape the future. Through a series of public meetings, nine solution councils were identified and formed, one of them being the social services solution council. The SSSC, with representatives from service providers, service clubs, the faith community, consumers and citizen volunteers, completed a strategic planning process through an intense series of meetings. The number one priority which evolved out of this process was the need to establish a Community Assistance Trust whereby our citizens would obtain compassionate, coordinated public assistance services.

A coordinator was hired for the trust and the trust was established in November 2000. The Community Assistance Trust has its own advisory committee, which reports to the United Way community services advisory committee. The CSA committee reports to the United Way board of directors, which is ultimately responsible for granting the final approval on all matters.

**Ms Cannon:** Now that the Community Assistance Trust has been accepting calls for public assistance or referrals to other agencies for one year, a number of statistics have been compiled. We have attached a copy of last year's statistics for your information, and although we could discuss many of these items, we would like to focus our presentation today on lack of funding for seniors' services.

A major gap has been identified in our area with services available for seniors. Realizing many seniors are living on a fixed income from the old age pension combined with the guaranteed income supplement and Canada pension plan, they do not have additional money to make extraordinary purchases. Most are only able to pay for their living expenses alone. There are three items we wish to bring to your attention as areas in which to

increase provincial funding: dentures, eyeglasses and hearing aids.

First are the requests for dentures. The Community Assistance Trust has received 16 requests; out of these, eight are seniors. However, referrals have declined as other agencies have been advised that the CAT does not have sufficient funding to provide this service. We believe, therefore, that the demand is actually much greater than these statistics reflect. The denturists in our area are charging \$550 for each denture plate—\$1,100 for both top and bottom—a price which is actually lower than in some parts of our province. Because this is a unique device created solely for the individual and cannot be resold, denturists are not prepared to accept monthly payments. Therefore, the entire cost is required upfront.

Since the average cost is \$1,100, it is extremely difficult to obtain funding. The Community Assistance Trust has approached one service club, which previously provided funding for dentures, with a request to continue. Across all of Canada, this service club had spent \$1.2 million in 1997 and subsequently decided that they could no longer raise the funds necessary to continue the program. Dentures are, however, a basic health requirement, since without them nutrition, particularly for the elderly, declines, leading to illnesses such as osteoporosis, malnutrition and anaemia.

Second, we have received 19 requests for eyeglasses, three of which were from seniors. Again, seniors are not eligible for assistance for eyeglasses from any other source. As the Community Assistance Trust becomes well known within our community, I'm sure there will be an even greater request for eyeglasses.

Third, we have received 10 requests for hearing aids, eight of which were from seniors. Every person who requires a hearing aid is eligible for a 75% ADP portion from the assistive devices program. However, the balance owing does not come close to covering the cost of the aids and is the responsibility of the individual. Some hearing aids are extremely expensive and can run upwards of \$2,000 owing after the ADP portion.

When individuals are on assistance with Ontario Works or the Ontario disability support program, there is some coverage available. However, as seniors reach their golden years they are no longer eligible for these programs. They lose all assistance for special items such as dentures, dental, eyeglasses and hearing aids.

We need to find solutions to these ever-growing problems for these consumers in our communities. These items are essential to seniors' continued well-being and quality of life and can have a substantial impact on their health. By investing a relatively small amount of money in prevention, seniors will be able to continue to live independently, maintain their health and continue to be active participants in the community.

The Community Assistance Trust refers clients to the appropriate agency or organization when there is assistance in our community for their request and provides emergency aid when there is no assistance available.

However, the responsibility for meeting the needs for items essential to ongoing health must be shared between the community and the province. We do not have the resources to provide these items which are essential to the ongoing health and well-being of senior citizens who have contributed to our community and province throughout their entire lives. They deserve better.

The Community Assistance Trust therefore recommends that the standing committee on finance and economic affairs incorporate the funding necessary to meet the costs of these essential items into their budgeting for the next fiscal year. I would like to thank you very much for allowing the Community Assistance Trust to have our concerns heard.

1110

**The Acting Chair (Mr Ernie Hardeman):** Thank you very much for the presentation. We have about three minutes per caucus for questions. We'll start with the government side.

**Mr John O'Toole (Durham):** Thank you very much for your presentation this morning. I also commend you for working together. The most important thing is finding one window to access services. The unfortunate thing is that you've been able to combine the statistics and come up with some very interesting shortfalls. It generally does come down to money in almost every case, and that's unfortunate. I hate to preach or even sound like I'm preaching, but I do accept the observations you've made. I come at it in a little different way: that eventually there has to be some resource, whether it's the Lions Club, the Rotary Club or the government at whatever level, a community, and it's only by working together, certainly, that that happens. Really, if you look at Sault Ste Marie or any community, arguably the problems become more aggravated when the economy is somewhat weak. The threats you've had with Algoma and others really put on stress and make even worse an already difficult situation.

For people who have worked all their lives, it seems like a thankless response when their golden years, as you said, come upon them. Do you have any other suggestions as to how we could somehow—as you described, dentures and hearing aids and these personal items aren't something where there would be some kind of underground economy of any sort, because they're only good for them. You know what I mean? Are there any other suggestions you might have to bring to the committee? Writing the cheque is going to become more and more difficult for whoever is government, because you have to have the revenue to make the thing work.

**Ms Cannon:** All I know are the statistics that have been gathered in the past 12 months. I actually have this denture venture, and I would assume that around \$15,000 to \$20,000, a small amount, would probably cover the majority of the requests in this community. But as far as other service clubs, no, because they all have their own mandates, they raise monies for their charities, and I have absolutely no luck. I don't really have any other recourse.

**Mr O'Toole:** I commend you. The coordination of the thing and bringing in the seniors as engaged members on

that, as well as the service clubs, is commendable. You're right, they pick an issue and they say, "We're going to fund children's programs," or whatever they're going to fund. The issue you bring up, though, is important. You found in your statistics—we found it as well, as a province—that the demands for health care and these supportive services are going to grow. That's what the whole debate on health care is about. It's a demographic issue. You use about 75% of your lifetime health care resources from when you're about 65 onward. That's when you need the most.

**Ms Cannon:** Exactly.

**Mr O'Toole:** As the baby boomers are growing older, that's the problem, and not just in Ontario. It's the problem in every single jurisdiction because of this ramped up number. You're right, you're just touching the very easily identifiable with the dentures, the hearing aids, the eyeglasses and those other real, day-to-day living needs of people. So governments at all levels and of all stripes are going to have to recognize that, including the clubs that may want to support other kinds of things. Thank you for your work.

**Mr Monte Kwinter (York Centre):** Thank you very much for your presentation. I'm not clear on exactly what you do. When I read through the brief and I listened to you present, I got the impression that the Community Assistance Trust was a clearing house and it was like a one-stop entry to the various agencies that were available for seniors' problems. Yet in your presentation you say, "There are three items we wish to bring to your attention," and then you go on to say, "The CAT does not have sufficient funding to provide this service." Do you actually provide the funding or do you just refer people to the proper agency that does provide the funding?

**Ms Cannon:** If a request comes in and there is assistance within our community at another agency, organization or service club, they get referred to that area. If it is an emergency and there is no other funding within our community, then the Community Assistance Trust can look after it.

**Mr Kwinter:** That's the point I don't understand. Where do you get your funding from?

**Ms Cannon:** We have a lot of funders. We're funded by charity groups within our community, service clubs, United Way, Ontario Works, Ontario Trillium Foundation. The Elks have also supported funding for us.

**Mr Kwinter:** So you are, in fact, the funding agency?

**Ms Cannon:** Pardon me?

**Mr Kwinter:** You get funds, and you can dispense them as you see the need.

**Ms Cannon:** Yes, on a one-time-only basis. An example of this would be if someone is in severe pain with dental problems, and they have no coverage. They might be from a low-income working family. We can provide one-time assistance and have their dental needs taken care of. But the Community Assistance Trust wants to be able to find solutions for their long-term needs. We can assist them once, but hopefully we can find a solution to help fit their needs later on down the road. If

somebody calls in for medication, we can refer them to the Trillium drug program, so that any time on a long-term need, they would have their medication covered. In the interim, while they are looking for assistance, we can help them, and then hopefully they'll get on the Trillium drug program within the next 60 days.

**Mr Kwinter:** In your categories of dentures, eye-glasses and hearing aids—we in the Legislature have been hearing a great deal about seniors who are suffering from macular degeneration. Do you have any dealings with that, and have you made any representations to get funding from the government for that?

**Ms Cannon:** No.

**Mr Kwinter:** I happen to represent a Toronto riding. One of the major problems that I find, virtually every day, is that seniors who are on fixed incomes are finding that their rent is escalating to the point where they have virtually nothing left. Once they pay their rent, there's no money for anything else. Do you find that in your area?

**Ms Cannon:** Yes.

**Mr Kwinter:** How do you address that?

**Ms Cannon:** Seniors hopefully can get on to—we have Sault Ste Marie Housing here, Ontario Housing, as it used to be called. We would refer them automatically to Sault Ste Marie Housing, and hopefully they could find emergency housing. That is based on 30% of their gross income, so then they would be eligible for affordable housing.

The other thing you're talking about is that when they use most of their money for their rent, that leaves next to none for food. We've had a really high incidence of food issues in our community, and the stats have shown that. We have not spent a lot of money in that area. That's because there are programs available in our community, and we have a food bank. But it's still not enough. These people are using the same programs over and over.

**The Chair:** The third party, Mr Martin.

**Mr Martin:** Thank you very much for the effort that you put into putting together your presentation and coming this morning.

I just wanted to say to Mr Kwinter that we're getting the macular degeneration issue at our office on a regular basis. We've sent numerous letters to the ministry about that. It's another one that needs to be added to the list of things that seniors need, because it's a seniors issue.

I think Mr O'Toole hit the nail on the head. It's a question of money. I'm one who doesn't believe that we should be putting huge numbers of people, particularly seniors, at the mercy of the charitable sector in our communities. These people, as you have said, have contributed to their communities over the years, have worked very hard to develop some of the things that we now depend on ourselves. If it's a question of money—and the government, obviously, in their deliberations are looking at some very basic issues of whether to give more tax cuts or to spend more money on programs. What would your direction be to this government?

**Rev Putman:** My personal response to that would be, "To the services instead of the tax cuts," because I think

the tax cut, to an individual, is minimal compared to the overall services that can be provided.

**1120**

**Mr Martin:** I think it was you who had mentioned in your brief that the amount of money you were talking about that it would take to top up or to—

**Ms Cannon:** I mentioned that only because of our statistics, and I know the number of calls that I have received. The Community Assistance Trust obviously could assist in this, but we just cannot fund the actual full amount of that request. I'm assuming from last year's statistics that we could handle a couple of thousand, but not \$20,000.

**Mr Martin:** So at some point you run out, and then people do without.

**Ms Cannon:** Yes, but that's the case right now. I cannot refer them on to anyone because there is no other agency that will cover or pick up that extra cost for them—as I said, even hearing aids. Say the average hearing aid costs \$800, and ADP brings in—say they get \$500 or \$600. The balance of that is for the senior. You just mentioned that there is a balance owing, that they can only pay their rent, so they cannot afford that extra cost for their hearing aid, nor their food. So they would never purchase the hearing aid; they'll just go without it.

**Mr Martin:** So there will be some people out there—

**The Chair:** With that, Mr Martin, I'm sorry. We've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

**Ms Cannon:** Thank you very much for allowing our concerns to be heard.

#### ALGOMA COMMUNITY LEGAL CLINIC

#### WOMEN IN CRISIS ALGOMA, INC

**The Chair:** The next presentation this morning will be from the Algoma Community Legal Clinic. I would ask the presenter or presenters to please come forward and state your name for the record. On behalf of the committee, welcome.

**Ms Beth Walden:** Good morning. My name is Beth Walden and I am staff lawyer at the Algoma Community Legal Clinic. Beside me, on my left, is Gisèle Beausoleil. She is a board member with the Algoma Community Legal Clinic, as well as an advocacy worker at the Women in Crisis shelter.

We're here this morning essentially to make a presentation on the impact of cuts to Ontario Works assistance and Ontario disability support assistance and we are available after both our presentations to answer any questions you may have.

I speak as staff lawyer of the Algoma Community Legal Clinic, which serves the needs of low-income people in the Algoma region. As a clinic lawyer for over four years, I have had the opportunity to observe at first hand the difficulties facing low-income men, women and children of the north. I am here to speak to the committee this morning about these barriers and to call upon your

committee to recommend to the government that changes be made to the budgets of government programs which directly impact on our client group.

Of fundamental importance is the need to increase the basic needs and shelter allowance for persons in receipt of Ontario Works assistance. In Sault Ste Marie alone, the unemployment rate for 2001 was 9%. This means that many individuals and families in the area are unable to secure full-time, remunerative employment. What employment does exist is often part-time and minimum wage. As such, many people require Ontario Works assistance for periods of time when they are unable to secure employment, are between jobs, such as seasonal workers, or where an illness or layoff has resulted in persons having no other income. Many others work at what part-time jobs they are able to get but still require partial Ontario Works support, as their wages are insufficient to support them.

Recent increases in the required hours of work in order to qualify for employment insurance often mean that persons with work histories are unable to qualify for EI benefits and thus must utilize Ontario Works until they are able to secure further employment.

In the past number of years we at the clinic have also seen many older women and men, usually in their late fifties or early sixties, who are without employment and are hampered by illness, a lack of skills or available and appropriate work. These aging men and women must also seek Ontario Works support to survive, often until they turn the age of 65, at which time they will qualify for an old age pension through the federal government.

Finally, we see a number of men and women with disabilities, often in the form of cognitive impairments or mental illness, who never accessed the family benefits program or the Ontario disability support program, due to their unique disabilities. They now find that Ontario Works is their only means of survival.

For all these groups, the extremely low benefit rates mean only one thing: poverty and extreme hardship.

I have provided this committee with a number of tables which outline the maximum benefit rates for Ontario Works recipients. The Ontario Works monies are divided into two amounts: basic needs and shelter. The basic needs amount for a single person on Ontario Works is \$195. This amount must cover a person's need of food, clothing, toiletries, household goods such as dish soap and light bulbs, transportation and some utilities.

The second part of the allowance is the shelter portion. For a single person the maximum which can be paid is \$325. You can find that on table 4. Table 3 outlines the average rents in Sault Ste Marie. For a single person the average rent is \$389. This means that Ontario Works recipients must use a portion of their basic needs money to subsidize their rents. As a percentage of their income, shelter costs in Sault Ste Marie eat anywhere from a low of 53.2% of a person's overall income to a high of 74.8%. As can be seen from table 3, single people, couples and single parents with one child spend the high proportion of their total income on shelter.

People in our community must therefore choose between shelter and food. Tables 7 and 8 make it clear what choices people make. As these tables make plain, the local food bank and soup kitchen must be used regularly by Ontario Works recipients in order to survive. I would also draw the committee's attention to the significant number of meals served by the soup kitchen to children.

As a result of the very low benefit rates, many people in our community must regularly seek assistance from the Community Assistance Trust to cover arrears of rent, utilities, the cost of furniture or appliances or other basic necessities.

We therefore recommend to this committee that the basic needs and shelter portion of Ontario Works assistance be increased by an amount which would enable people in our community to meet their very barest of needs.

As a clinic lawyer, I also wish to draw the committee's attention to problems with the underfunding of the Ontario disability support program. The ODSP serves people who have a substantial physical or mental impairment which substantially restricts their ability to function in the community, to care for themselves or to function in a workplace.

These persons are some of the most vulnerable in our community. While the basic needs and shelter allowances under ODSP are greater than that of Ontario Works, they are still woefully meagre. The maximum amount available to a single disabled man or woman is \$930, with a shelter amount of \$414 and basic needs of \$516.

Luckily, in the Algoma region average rents and vacancy rates are lower than major centres to the south. However, while some ODSP recipients may pay a rent which is lower than the maximum shelter allowance, they are not allowed to use any excess to supplement their basic needs. For example, if a person was in rent-gear-to-income housing and paid \$100 in rent, they would only receive a cheque in the amount of \$616: \$100 for their rent and \$516 for their basic needs, an amount inadequate to guarantee our disabled citizens a decent and healthy standard of living.

A further problem with the Ontario disability support program is the significant barriers to accessing the program. Since its inception, all clinics across Ontario, including ours, have been inundated by persons appealing a denial of disability benefits. The case file statistics provided show that the number of cases of disability appeals has risen from 27 in 1996 to 135 in the year 2000, and it has increased since that time.

When people are denied benefits, their only recourse is to appeal to the Social Benefits Tribunal, which, like the ODSP and OW, is significantly underfunded and requires greater resources to meet the needs of the appellants.

The committee must understand that the percentage of Algoma clinic clients who are denied ODSP and do succeed on appeal ranges at about 70%. It is therefore our experience that the majority of persons who are denied

benefits are clearly denied wrongfully. Such an extraordinary reversal rate means that the disability adjudication unit is clearly not doing its job.

We therefore recommend to the committee that benefit levels for ODSP recipients be increased in order to provide disabled people with a quality standard of living. We also recommend that the apparent policy that most ODSP applications be denied, presumably as a cost-cutting measure, be changed. Finally, if DAU policies are not changed, greater resources must be given to the Social Benefits Tribunal so that they can do their job in a timely and efficient manner.

I have only had the opportunity to discuss some of the most pressing issues facing low-income people in our community. Many others, such as drug coverage under ODSP, removal of rent controls or cutbacks to assistive devices and STEP programs, are equally important but cannot be addressed in this short time.

Low-income people in our community are our fellow citizens. They are our neighbours, members of our families, our nephews, our nieces and even our grandparents. Our fellow citizens deserve to be treated with dignity and respect. At the very least, they require an income level which will enable them to adequately feed and clothe themselves and their children and an income which will allow them to secure and maintain decent housing. We cannot afford to do any less.

**1130**

**Ms Gisèle Beausoleil:** Good morning. My name is Gisèle Beausoleil, and I work as the advocacy worker at the local women's shelter. Today I will present information to assist you to create a budget which will provide women and children who have been victims and/or witnesses of violence with an equal opportunity to succeed and enjoy a better quality of life and standard of living.

From April 1, 2000, to March 31, 2001, there were 582 women and children who sought residency at Women in Crisis in Sault Ste Marie, for a total of 5,173 bed-days. We like to believe that the reason our numbers are so high is because women are becoming better educated about violence issues, more aware of their options and are choosing to leave abusive relationships. However, many women are often choosing to return to abusive partners rather than having to face the possibility of complete destitution. After the 21.6% cut to social assistance rates in Ontario in October 1995 by the Harris government, 50% of shelters surveyed said that their shelter was being used more as a temporary respite from violence rather than as an avenue of escape. In 63% of women's shelters across Ontario, women cited cuts to social assistance as the deciding factor in choosing to return to an abusive partner.

Most women who leave abusive partners are forced to live in poverty. There are over a million single-parent families in Canada, and four out of five single-parent families are headed by women. Ontario has the most single-mother families in Canada, between 275,000 and 300,000. Single mothers face an extraordinarily high risk

of poverty, ranging from about a 50-50 risk for older mothers to a near certainty for younger mothers. This is partly because younger mothers tend to have less education and to have younger children, making it harder to work. Poverty rates for single-parent mothers and their children are inconceivable for a nation with resources like ours.

The government relies heavily on widespread ignorance and the stereotyping of "welfare mothers" to justify its punitive approach to welfare reform. Single parents on social assistance are families in transition who have often faced major dislocation due to marriage breakdown, domestic violence, job loss, serious illness or disability. Female-led families are on social assistance for the sole reason that these women have acted as responsible mothers; they did not abandon their children. The average mother will remain on social assistance for about three to four years as she attempts to put her life together and provide stability for her children. The 21.6% cut to social assistance rates in 1995 has had a devastating impact on abused women and their children. This reduction in financial assistance forces a choice on many women: to remain in an abusive situation or face the possibility of complete destitution—not a choice many of us would like to make.

Women have coped with the poverty by eating less food so their children will have more, surrendering children to abusers who have food and shelter to offer or living in substandard housing while giving up necessities such as a telephone. Women are remaining with or returning to abusive partners as a direct result of the decrease in financial assistance. There is currently no equal opportunity to succeed and no socio-economic environment in which all people in Ontario can have the best quality of life and standard of living that too few enjoy. Of course people have responsibility over their own lives and choices, but society as a whole must assume liability for whatever conditions limit the options, opportunities and access for certain individuals more than others.

This committee has the power to provide people in Ontario with an equal opportunity to succeed and create a socio-economic environment where all people can enjoy the best quality of life and standard of living. The priority for the upcoming budget must therefore be to begin to rebuild the social safety net that has been systematically shredded over the last seven years. The need has never been more apparent. What possible excuse could Ontario have for the fact that thousands of people in this province are homeless, discriminated against, denied human rights, forced to rely on food banks and without any source of income? Poverty in Ontario is very real. What's needed is your will and commitment to move toward a solution. Thank you.

**The Chair:** Thank you very much. We have two minutes per caucus, and I'll start with the official opposition.

**Mr Brown:** I appreciate getting some of the statistics that we have here, because frankly I didn't know the



numbers, but one of the very serious issues in Algoma and in Sault Ste Marie is the economic situation, and while you put unemployment numbers in, you didn't put employment numbers in your brief. I suspect, if we were talking the same population basis as we were 10 years ago, these statistics would be even more difficult for people to deal with.

Given the economic situation in the district and in Sault Ste Marie, could you give the committee a general idea of the stresses this is putting on community services? I say this because in the downloading situation through the DSSAB, whether it's the Soo city DSSAB or through the Algoma DSSAB, there's been extraordinary pressure put on municipal budgets, which is a property tax base rather than the more progressive general revenue side of things.

**Ms Walden:** Yes, absolutely. Certainly the Community Assistance Trust that's partially funded by DSSAB and Ontario Works and gets a lot of its money from the child tax benefit clawback is an example of the pressures put on. You can also see that we have included statistics there for the waiting list for the Sault Ste Marie Housing Corp and you can see there that cutbacks have had a significant impact. We can tell from the Salvation Army, from the soup kitchen statistics over the last 10 years that usage of all those resources has increased incredibly.

In terms of impact on the city, essentially what we're required to do now is approach the city, try to get housing for an emergency, shelter, and any other kinds of basic resources in order to meet the needs of the community. The other thing that you will also see in Sault Ste Marie is an incredible rise in the number of very poor people, homeless people, in this community. Welfare rates come and go, depending on how the economy is, but I think one of the things I wanted to point out, particularly by putting the unemployment statistics in, was the fact that many, many people who require Ontario Works assistance are working. Many of them receive what's called a partial top-up, but the lack of anything but minimum wage or part-time jobs means they still require Ontario Works assistance.

There's a program called STEP, which allows for people to retain some of their earnings while receiving Ontario Works, but this has been phased out; it's going to be phased out over a number of years that the people are on assistance. The committee should realize that what we're looking at in terms of Ontario Works assistance is the working poor as well.

**Mr Christopherson:** Thank you very much for your presentation. I want to underscore a really important sentence that you said toward the end of your presentation. You say, "Of course people have responsibility over their own lives and choices, but society as a whole must assume liability for whatever conditions limit the options, opportunities and access for certain individuals more than others." I thought that was well said when we're in a climate where the majority ruling party believes that tax cuts are the saviour of everything; you know, if they give tax cuts to the rich, then they'll do all

the things necessary and then everybody's boat will be lifted with a rising tide, the trickle-down theory and all of that. The reality is that abdicating your responsibilities to all citizens of Ontario is wrong-headed. It's not the history of this province; it ought not be the future.

You mention STEP. We brought that in as a way of assisting people to stay at work. What makes more sense than providing some assistance to someone who is under-employed or not making enough money to sustain a certain level of quality of life, with the intent that you would help them step along the way until they get to independence? This government seems to think of that as just another burden of cost that certain citizens are putting upon this government, and they're yanking it away.

I'd love to hear one of the government members defend removing STEP, in whatever way you want—economically, socially. Whatever way works for you, defend here today how that makes any sense whatsoever.

For whatever time is left, I want to raise the issue of women who are leading families who are forced as a result of lack of options to go back into circumstances. Sometimes I think some of my colleagues—maybe not necessarily those here today—in the government backbenches, given what Tony and I hear them say, really buy into the stereotype. They really believe that's the reality and therefore it's OK to do the things they're doing, the cuts they're making. Maybe you've got an example, without a name, that you can describe to try to make it human as to what is happening to certain women who are having to make these horrible choices on behalf of them and their children.

**1140**

**Ms Walden:** Just before Gisèle goes, I'd like to point out that the basic needs amount—for example, if I am a single mother and I have two kids who are zero to 12 years of age, I have \$532 in basic needs amount. That has to cover my food. Unless I get a bus pass from Ontario Works, which is an extraordinary assistance that they give, not on a regular basis, I have to cover my transportation from that. I have to cover, in most cases, a lot of utilities because the shelter amount only covers partial utilities, and if you go up to a maximum of your shelter—say my utilities are more than how much my apartment costs—out of that \$532 I have to cover those costs too. Has anyone noticed their gas bill has gone through the roof?

We regularly notice women in domestic violence situations, and certainly Gisèle can speak to that, who say, "I can't do it any more." They live in abject poverty and it's better to go back to a cruddy person who beats you up than to live in that kind of poverty.

In terms of food banks, we're talking about a cold place where everybody has to walk everywhere. I can't tell you how many clients I have who have to walk miles every day because they don't have enough money for bus fare. You've got two little kids, you have to walk to the soup kitchen every day, which may be miles from where you live. It really is extraordinary that you ask people to

survive—and this is often long-term. We're not talking about "welfare bums" who are just sitting there enjoying the luxury of the \$532. We're talking about a woman who may be trying to go to school part-time, upgrade her education at that time, has two little kids, and may be on Ontario Works for a long period of time just because of the economy and the lack of jobs.

I have client after client, including women who are 63 years old, who say, "I'd love to work. There are no jobs here. I've got degenerative disc disease," and they are forced to live on \$195. This is what we're doing to our grannies, you know.

**The Chair:** Thank you very much. We'll go to the government side.

**Mr Hardeman:** Thank you very much for your presentation. I too agree, and David may be surprised at this, that it's very important to help, not only people who have no job at all but people who are in a job that cannot fully support the costs of things that people who are totally unemployed are getting. Whether you call it the STEP program or whether you call it anything else, one of the major problems that exists is the difference, that it doesn't pay for people to work in certain jobs because they can't make an amount of money to cover the benefits and so forth that are presently in social assistance. So they're being forced into a life of dependency because of that.

One of the things I really wanted to ask about is a process thing and it's rather important. In your presentation you said that the committee must understand that the percentage of Algoma clients who are denied ODSP—70% of them win on appeal.

**Ms Walden:** Actually, that's lowballing it. For our annual general meeting, we decided to take a look at what our win rate was, without, I think, even looking at reversals, because sometimes what will happen is the day before the hearing, the DAU will actually take a look at the file and go, "Oops, they're disabled," and reverse. We were getting anywhere from, on appeal, 75%—and I sort of lowballed it for you because it would have been taken three or four years—70% of the people we're representing are winning.

I was just at a conference that said that the general SBT reversal rate was 50% across the province. Maybe that shows we're a good clinic or maybe they make bad decisions in Algoma, but still, 50% of the decisions are wrong. That's the disability adjudication unit. I think it's underfunded; this is one of the problems you've got there. Number two, I think there is a policy, unwritten, that if you deny people, they'll eventually go away.

I have a perfect example. I have a lot of people with extreme cognitive impairments, what used to be referred to as mental retardation, who are unable to read, who don't know the complex process in the system, and it's very easy, once we get all the medicals, which we end up having to pay for and submitting to the government, to have it reversed. Yes, it's a very high success rate.

**The Chair:** Thank you very much, Mr Hardeman. We've run out of time.

On behalf of the committee, thank you very much for your presentation this morning.

**Ms Walden:** I thank the committee for listening to our concerns.

#### ALGOMA DISTRICT ELEMENTARY TEACHERS

**The Chair:** The next presentation is from the Algoma District Elementary Teachers' federation. I would ask the presenter to please come forward. Could you state your name for the record, please. On behalf of the committee, welcome.

**Ms Gayle Manley:** Thank you very much. My name is Gayle Manley. I am the president of the Algoma District Elementary Teachers. Algoma District Elementary Teachers represents a local of just over 500 members across Algoma district. For those of you who have sat on the committees looking at amalgamation and the Sweeney report, you know how big it is. It's the size of Great Britain—over 50,000 square kilometres.

We welcome the opportunity to speak to the members of the standing committee on finance and economic affairs about issues affecting our students in Algoma. Education funding is the most important investment our province can make, an investment in the children of today and of course our future. The objective of this presentation is to indicate areas where improvements need to be made to education funding that will directly affect not only the students of Algoma but also the students in every political riding in Ontario.

The Algoma District School Board was formed in January 1998 through the amalgamation of six English-language school boards: Chapleau, Central Algoma, Hornepayne, Michipicoten, North Shore and Sault Ste Marie.

In 1997, the Algoma district area boards, before amalgamation, had a combined budget of \$133,061,345, and that serviced 45 elementary schools and 12 secondary schools. On amalgamation, the revenue level of the amalgamated school board was approximately \$10 million less than that of the combined former district boards. Reduced funding forced the board to cut staff positions in the second year of Algoma's existence as well as a number of programs like guidance, design and technology, the enrichment program and instrumental music.

During the 1999-2000 school year, 10 schools were under study for closure because of that low enrolment and capacity issue, according to how the government funding formula calculates the use of space in an elementary school. However, the end result of these feasibility studies meant that three elementary schools were closed. These closures meant longer bus rides for many students north of Sault Ste Marie and in the Elliot Lake area, and a complete upheaval in school organization for families in Elliot Lake and also Sault Ste Marie.

These closures also meant a move from the culture of small schools to larger ones. The anxiety this caused

students and parents is difficult to measure but nonetheless a reality of the closure process. For those of you on the committee who have had closures in your own areas, you know. You probably received many phone calls. In Algoma, one school closure meant that a number of native children had to be moved from a school of less than 40 students to a school of over 250 students—a culture shock that cannot be ignored. There is still concern over possible future school closures in Algoma.

The requirement of the funding formula to operate schools at capacity is unrealistic for many schools in both urban and rural areas. This requirement regarding capacity forces boards to close schools in small communities and bus children to larger schools, often to another community. These are decisions which profoundly affect students, parents and communities where the elementary school is the centre of community activities.

Research supports the positive effects that small schools have on students and families. It's interesting to note that there have been studies which attest to the advantages of small schools—and I noted one of them here—in particular for those students who are poor. “Small Schools Found to Cut Price of Poverty” was found in Education Week in February 2000. The loss of small schools, whether in municipal or rural areas, has and will have adverse effects on communities and families.

I'd like to take a look now at the funding formula and some difficulties for northern boards, and rural boards in particular.

The funding formula established by the government of Ontario has done little to support smaller schools. People for Education's report, Ontario's Small Schools, which came out in November 2001, states that 66% of Ontario elementary schools have fewer than 400 students. In Algoma, 100% of the elementary schools have less than 400 students. The largest school has 324 students. Out of 41 elementary schools, 30 have between 121 and 260, and that's classified as small by the People for Education report. Then there are six schools that have even fewer students.

Herein lies the difficulty for rural and northern boards like Algoma. Pupil enrolment in schools generates funding. For example, 364 full-time students generate funding for one full-time principal. The largest school in Algoma, therefore, does not generate enough funding for a full-time principal. As is so succinctly stated in the People for Education report, “High per pupil targets in the funding formula discriminate against Ontario's smaller ... schools.”

#### 1150

The Algoma District School Board, however, has made a commitment that every school will have a principal, although one school is twinned with another under the leadership of one principal. However, because this is not funded, the board has had to make cuts in other areas. Even the Ministry of Education's so-called improvement to the funding formula, the small schools allocation, designed to “offset the higher per pupil cost of

programs in small schools,” applies to only five of Algoma's schools. This special funding is limited to schools with 20 pupils per grade or fewer.

Let's take a look at other examples in the funding formula. It takes 272 students to generate funding for a full-time secretary. This applies to four elementary schools in the district. Other schools with fewer students have secretaries with reduced hours, which may at times mean that there may be no one in the main office. This actually has come to mean a safety issue in a number of schools. I could give you stories related to that of people coming in, angry citizens in some form or other, and the police have had to be called as a result of the violence they've expressed.

No elementary school in Algoma has enough students to fund a full-time librarian, and this is a terrible situation. It says 769 are needed to get a full-time librarian. Teacher-librarians have gone the way of the dinosaur in Algoma. They are no longer in our schools to bring that great new picture book to the primary students, to help junior and intermediate students with research or to purchase new books for the shelves. One teacher, who is actually a former librarian, described the libraries as being pathetic.

Without librarians tracking and cataloguing books, the loss to the inventories of elementary school libraries has been extraordinary. In fact, since teacher-librarians have been cut in Algoma, few schools have ordered new books for the library. Who is going to do that? Some schools have even packed up books to make way for computers.

Library technicians, who now work in Algoma's elementary schools, are there for a minimal number of hours weekly. As one library technician stated, “I hardly have time to keep the books organized and the library clean.”

The decline of libraries in rural and northern elementary schools is another result of inadequate funding. The funding formula puts students in northern and rural boards at a disadvantage. It seems to consider a large urban school of over 400 students as the model that facilitates certain services. Moreover, the fact that the funding formula differentiates funding and class size for elementary and secondary students means that if cuts have to be made, elementary students are more likely to experience loss of programs and services than secondary students, and that has happened in Algoma.

A critical issue right now is special education, and hopefully you will hear from different groups today. In rural and northern boards like Algoma, this is exacerbated because of the lack of services and supports in the communities. Since amalgamation, Algoma District School Board has consistently struggled to adequately fund special education programs, and I'm sure you've all heard about that in your own constituencies. The losses, at times, have included the position of a behaviour consultant; a special education coordinator, who was responsible for testing and programming; a speech-language pathologist; as well as cutbacks in the number of resource teacher positions and educational assistants.

Every year since, Algoma has had to go into reserves to maintain services to our most vulnerable children.

Add to this the cuts to agencies and ministries. When local agencies lose funding, they look to school boards to provide services for children. Added responsibilities without additional funding leave administration and staff in school boards frustrated at their inability to provide the support needed. But what does this do to our students?

In the Algoma area, there are no child psychologists or psychiatrists, nor any network of support such as southern boards may have from training hospitals in their areas. Unfortunately, in order to qualify for ministry funding for students in need—and this actually applies in particular to those with a conduct disorder or a mental health issue—the diagnosis of a psychologist or a psychiatrist is required. For boards in the north, it is difficult to get these professionals to your area without a high cost. Algoma has managed to do so under a contract, but they pay accommodation, food, travel, plus a daily rate in order to purchase this service. This money could be going elsewhere.

In the past, a board could control where its funding went, based on needs. Municipal taxes supported these specific needs. Not only should there be more funding available for special education programs, there must also be a change to how special education is funded. At this point in time, there is no specific funding for learning-disabled students from the Ministry of Education and Training, and this is a tragedy. Learning-disabled students are 49% of the special-needs students in Algoma. Without adequate support, these children will fall through the cracks. Tragically, this appears to be more than a crack—rather more like a chasm.

I briefly want to take a look at school supplies and what's happening in Algoma. Some of it's subterranean; you can't quite grasp in different schools what's happening. But this is my understanding in the survey that I've taken.

Fundraising has always been a part of school life, usually for class trips. Unfortunately, what now is taking place in Algoma is you find things like books, school supplies, sports equipment, computers and curriculum materials being fundraised for, if that's a verb. In some schools in Algoma, parents are paying what is called a student activity fee, providing funds for students to participate in swimming, gymnastics, dance, drama classes and for student agendas. What one has to consider is that for some schools this is possible, for others not. The opportunities for children in poorer areas are certainly limited to what a family is able to pay.

What also is evident is that many schools are no longer able to provide adequate supplies like pencils, scissors, rulers, erasers and notebooks. If you have children, you may have actually seen the little note that comes home. At the beginning of the year, lists are sent home as to the supplies needed to begin the year. One teacher said that she regularly sent notes home indicating that she needed assistance to provide supplies for an upcoming art lesson or science experiment.

I'd like to address some of my own members right now. Algoma teachers are highly qualified and believe in lifelong learning. They continue to upgrade qualifications and seek out professional development opportunities to enhance their professional portfolios and the learning environment of their classrooms, because that's why they do it. In a recent Canadian survey, over 85% of teachers indicated they had participated in formal courses and workshops in the previous year. This is a report from the year 2000. Well, Algoma teachers are no different; 79% of Algoma teachers have degrees and courses beyond a bachelor of arts degree.

The government can support its teachers by restoring three of the professional development days which were taken away with Bill 160. Instead of a plan to decertify teachers if they do not take 14 credited courses, recognize that teachers are professionals, highly qualified, able to determine their own professional development needs, and provide boards with the funding to offer a wide range of learning opportunities on these professional development days.

I summarize the recommendations. Although they certainly don't cover all the wish list, they cover some:

That the funding formula be amended to include: (a) a review and reform of the formula for capacity in schools so that it does not disadvantage our students in small schools; (b) changes to the funding formula to decrease the number of students needed to generate principals, vice-principals, secretaries and teacher-librarians in elementary schools; (c) an increased foundation grant for elementary pupils to eliminate the gap between elementary and secondary funding; (d) increased funding to reduce elementary class sizes; (e) changes to special education funding that allow boards some leeway to meet local needs but also recognize the need to provide support for our learning-disabled students; (f) that the ministry restore three professional activity days to allow for authentic professional development and that it be adequately funded.

#### 1200

That the Ministry of Education reconsider its expensive plan to test every student at every grade level. Spending \$9 million per year on testing, as we do at present, could be directed to resources or special education.

The government ensures that there are no new tax cuts, which have placed our education and health system in jeopardy. With that \$200 tax cut, those parents have had to buy classroom supplies, hearing tests for children or testing services for learning-disabled children.

In the last six years in Ontario, we've seen drastic and often tragic changes to all aspects of our daily life—health care, education, the environment and social services. The bottom-line philosophy of the present Ontario government has put many of our most vulnerable at risk. Our children will pay a high cost, whether it be in Algoma or Toronto. Since 1997, the budget of the Algoma District School Board has decreased by more than \$20 million. The resulting loss of programs, staff,

services and school closures has meant decisions adversely affecting our students. Schools find themselves in the position of having to fundraise or charge student fees in order to provide supplies and programs for their students. The funding formula, touted as a universal funding model, has disadvantaged small northern—and that's small in population, not size—and rural school boards.

Do not ignore the reality of our classrooms and the needs of our students as you prepare the budget. Education funding must increase to support all children in Ontario in an adequately funded public education system. All our students deserve the best education we can provide. This means providing all of our students with the support they need, whether in the form of smaller classes, adequate special education funding, adequate supplies or increased funding for elementary students. Our students deserve more, not less.

**The Chair:** You've used the entire time for your presentation this morning. On behalf of the committee, thank you very much for your presentation.

**Ms Manley:** It was 20 minutes?

**The Chair:** Yes. You've used 19 minutes and 20 seconds, to be exact.

**Ms Manley:** I'll be available for a little while if anyone wants.

**The Chair:** I beg anyone to challenge me with regards to the time, because I keep very close tabs on it. I think all members are aware of that.

**Ms Manley:** No, I actually didn't mean that. But if any member wanted to talk to me out in the hallway, I'm certainly willing.

**The Chair:** Thank you.

#### COALITION FOR LEGAL AID TARIFF REFORM

**The Chair:** Our next presentation this morning is from the coalition supporting tariff review. I would ask the presenter to please come forward. Could you state your name for the record. On behalf of the committee, welcome. You have 20 minutes.

**Ms Carol Shames:** My name is Carol Shames. I have been asked to make the presentation on behalf of the Coalition for Legal Aid Tariff Reform. Just to give you a brief outline as to the composition of this coalition, it is a group of legal organizations that are seeking reform of the legal aid tariff. That coalition is comprised of the County and District Law Presidents' Association, Criminal Lawyers' Association, Family Lawyers' Association, the Law Society of Upper Canada, the Ontario Bar Association and the Refugee Lawyers Association.

This group has come together to seek this reform that lawyers in the province of Ontario feel is long overdue. The coalition is seeking an increase in the legal aid tariff to \$100 to \$125. The committee should be aware that this tariff has not increased since 1987. The committee is also seeking a permanent review mechanism to ensure

reasonable remuneration in the future. The difficulty has been that there have been many requests over the years to increase the tariff; that has not occurred and there currently is no mechanism within Legal Aid Ontario to permit tariff review.

I should explain a little bit about how the certificate system works. If someone wishes to apply for legal aid, they go to a local legal aid office, make application and they may or may not receive a legal aid certificate. I can advise you that there are only certain areas of law that are covered by a legal aid certificate—specific areas of criminal and family law. There are very few other areas, other than immigration, that are covered.

There is a very low income threshold by which a client can apply; for example, a family of four with income of just over \$15,000 is not eligible for a legal aid certificate. And the number is obviously much lower for a single person.

The legal aid plan is for needy people and only for specific proceedings; for example, to defend only certain criminal charges, for support and child custody and child protection hearings. For example, a parent who seeks support, and the other side is not prepared to pay that support, then must apply for a legal aid certificate.

The current tariff is \$67 to \$84 an hour. The effect of inflation has seriously eroded that amount, and obviously the costs of running an office have increased in that time period. The tariff is much lower than the hourly rate of most lawyers. The average lawyer charges \$165 to \$200 an hour; some of you have probably experienced rates that are much higher than that. This is not a make-rich scheme for lawyers. The statistics tell us that the average lawyer in Ontario who takes legal aid certificates earns approximately \$10,000 a year, and the increase requested would mean an additional approximately \$5,000 a year.

The real effect of the tariff inadequacy has been that the great number of lawyers have refused to take legal aid certificates. The most recent statistics, between 1996 and 2001, indicate that 25% of lawyers who prior to that time period took legal aid certificates have now refused them. There is an increasing number of unacknowledged certificates, which means that the client is eligible for the certificate but cannot find a lawyer who will take the certificate. We have an increasing number of unrepresented people, both in the criminal courts and in the family courts. Those are people who need legal assistance and who cannot find it although they are eligible for legal aid.

You ought to be aware that unrepresented clients in the justice system have a great impact. The government has brought about a number of reforms in the last few years, including case management and a change in the rules, for example, in Family Court, to try to move cases through the system in a more efficient way, reducing the number of trial days and so on, and those efforts will not be successful, in my mind, if the legal aid tariff is not changed. If you have unrepresented people in the system who are not familiar with the procedures, the documents that have to be filed, then their matters will take longer.

In a small city like Sault Ste Marie, we have a decreasing number of lawyers. We have a great number of lawyers who have left the city in the past few years and a number who have taken on full-time positions as crown attorneys and in other areas, such as the children's aid society, and that means fewer numbers for families or clients to choose from. That has resulted in serious difficulties; for example, if a woman is at the local Women in Crisis centre and needs a lawyer to represent her to get back into the matrimonial home, she may have considerable difficulty in finding a lawyer who will take her case on a legal aid basis.

I have provided to the committee a document entitled A Report to the Standing Committee. If there are any questions, I would be happy to answer them.

1210

**The Chair:** Thank you very much. We have approximately three minutes per caucus. I'll start with the third party.

**Mr Christopherson:** Thank you very much for your presentation. It's interesting to note that two of the areas you specifically bring forward that have difficulty with certificates that are unacknowledged are represented by two Tory members here, so I know they're going to take a real interest in solving this problem.

Just help me out. If we have a situation where someone comes before a judge and their certificate has been—the term is “unacknowledged”?—unacknowledged and they have no legal representation, what does the judge say at that point?

**Ms Shames:** It may depend on how long this has gone on. If it's the first time in front of the court, they may be given an additional opportunity, for example a number of weeks, to find legal representation. If they are unable to do so, then they may at times be assisted by duty counsel. However, duty counsel are not authorized, for example, to conduct at trial. They may find themselves on their own—completing documents, attending case conferences and settlement conferences—and may in fact have to represent themselves at trial.

**Mr Christopherson:** Has there been a case of anyone taking up a charter challenge on this, that you deny someone their rights by forcing them to go through any kind of legal process where they're not given legal counsel?

**Ms Shames:** There have been challenges at the Supreme Court of Canada level, I believe it was in the province of New Brunswick, where the government was required to provide legal aid assistance to a client. I'm not aware of a challenge where someone has a certificate but is unable to find anyone who will do the work for them. I'm not aware of that.

**Mr Christopherson:** I wouldn't be the least bit surprised if the charter—I mean, who can speak for a supreme court, but ultimately, if the right is being denied, the court is usually not as concerned about why at the end of the day if it's a basic fundamental right, guaranteed everyone by virtue of citizenship.

For most of us, it's hard to take that in, that someone would actually have a certificate that says, “I can get

legal advice,” but they can't find anybody who will take it, because it's not worth enough to make it worthwhile for a lawyer to take up the cause. You're going to get a few in every community who are very socially conscious and care, and that's the way they conduct their lives; there are people here today who have made presentations. But the vast majority of lawyers are just not going to do that, and I don't think they should be blamed. But at the end of the day it seems to me that the government has an obligation to ensure that the certificates are worth enough that the average lawyer is going to be willing to take it up if they have the time. If they don't, if they say, “No, it doesn't pay enough to make it worthwhile,” then I would say to the government members through you, Chair, that if this were a business scenario, your immediate answer would be, then nothing is acceptable except to raise the value of this certificate so that it's marketable. If it's not marketable, then individuals are going without their rights.

**The Chair:** With that, Mr Christopherson, we've run out of time.

**Mr Christopherson:** Your timing is impeccable. You waited until I took a breath, and then you were in there.

Thank you for your presentation.

**Mr Hardeman:** Thank you for your presentation. As Mr Christopherson mentioned, one of the two references is Woodstock, and that happens to be the centre of one of the best two ridings in the province. I just wanted to ask about that. You suggested that half of the duty counsel and a third of the criminal duty counsel abruptly withdrew their services. I think it kind of follows up on what Mr Christopherson was talking about. What happened? If the duty counsel is not there and the judge hears the case or it comes before the judge and one person says, “I have no representation; I want it, but I can't get it,” what does the judge do with that case? Were a third of all the cases in Woodstock discontinued, and are they still that way, or what happened?

**Ms Shames:** I cannot tell you what happened in August of last year with respect to what occurred in Woodstock specifically. I can only give you a general answer and that would be that it would depend on the stage at which the proceeding was at the time the person did not have representation. If someone already had representation, it would likely be at the trial stage, and the duty counsel, for example, would not be withdrawing. In these instances where duty counsel withdrew their services at a particular time, it would mean that clients or parties in front of the court on that day would not have assistance. That would likely mean adjournments of a large number of cases to another date. That would mean for some people a postponement of any relief from the court. But I cannot speak specifically; I can only speak generally to what would happen under those circumstances where someone does not have representation.

**Mr Hardeman:** I'll refer my time to Mr O'Toole.

**Mr O'Toole:** I'm from Durham. I just want to make a comment on acknowledged certificates. I know the CAW has legal coverage in their contract so that employees are

entitled to it. It's the highest income for Canada and there's probably a lot of work for lawyers, which is probably why there are so many that aren't fulfilled or acknowledged. But it's an interesting statistic. I might look into it.

In the case of what we hear in our offices, it's probably family law, really. That's probably the biggest area. There have been attempts to deal with the administration of justice and the rest of it, court administration. In the family law area, what do you think of the attempt to almost entirely develop very specialized people in mediation and just forget the lawyers? My son's in law school, so I don't want to do him out of a job in the future, but what about that? It's a very specific area. It's sort of combative and the courts aren't particularly flexible, I suppose. What do you think of that?

**Ms Shames:** If you're talking about the move to mediation as a requirement in some areas before you can—

**Mr O'Toole:** Yes, proceed.

**Ms Shames:** —proceed with your court matter, I don't have any statistics on the success of mediation under the mandatory program. I think we ought to keep in mind that mandatory mediation did not apply to family law matters for a very long time, so I don't know that there's a lot of material on it.

I can tell you my personal experience as a family law lawyer and as a mediator is that quite often it is the timing of the mediation that becomes important, the willingness of the parties to come to mediation and, in general, the public's understanding of mediation. I think we need to recognize that, especially in emotional issues like family law, mediation is not always the answer and not always successful. I think that in the mandatory mediation program there was a great deal of sensitivity about forcing those in the family law area, clients and parties, to jump into mediation and it was left out entirely, at least for a period of time.

**Mr Kwinter:** Thanks for your presentation. I've been around a fair number of years and it seems to me that this has been an ongoing debate between the government and the Law Society of Upper Canada. It was my impression that the Law Society of Upper Canada has taken over the administration of the Ontario legal aid program. Wasn't there a commitment by the law society to also have their members provide funding, on either a pro bono or some contributory basis to the program? Are you familiar with that?

**Ms Shames:** Yes. The Law Society of Upper Canada actually gave up its administration of the legal aid plan in about 1998. Legal Aid Ontario is now a separate corporate body run by a board and funded, obviously, by the government, and so it is no longer linked, as it was, to the Law Society of Upper Canada. At the time of the transfer, if you will, of the responsibility for legal aid, there were some changes made. For example, lawyers contributed back about 5% of the fees in every legal aid certificate; that was removed, and now it is just a straight

hourly rate at which lawyers are paid, but the hourly rate itself has not changed. So the responsibility has shifted.

**1220**

If you're speaking of the pro bono discussions that have taken place in the last few months, most lawyers already do pro bono work, pro bono meaning without being paid. For example, a great number of lawyers who take legal aid certificates are not paid for all of the work done for the parties. For example, in a family law matter, a lawyer is allowed something like 11 hours, which is not a very long time period to accomplish something if you have to go to court. Many lawyers may spend 15 hours but are paid for only 11. So the other four hours is the pro bono element, if that's what you're referring to. But I don't know very many lawyers in the province who don't do pro bono work in one form or another, either by taking a case and not charging any amount or charging much less than their hourly rate or, under the legal aid plan, by accepting a certificate and maybe doing much more work than is allotted for and not being paid for it.

**The Chair:** On behalf of the committee, thank you very much for your presentation this morning.

**Ms Shames:** Thank you for permitting us to make this presentation.

#### ALGOMA DISTRICT SECONDARY SCHOOL PRINCIPALS

**The Chair:** Our next presentation is from the Algoma District Secondary School Principals. I would ask the presenter to please come forward. If you could state your name for the record, on behalf of the committee, and welcome. You have 20 minutes for your presentation.

**Mr Vincent Greco:** Good morning. My name is Vincent Greco. I'm principal of Sir James Dunn Collegiate and Vocational School here in Sault Ste Marie. Thank you for the opportunity to address you this morning and thank you, too, for the timing, because it got me out of lunch supervision.

I'm no expert on educational finance. I'm a practising principal in a school of about 1,000. The points that I'll be making I've discussed with the other principals and they just speak out of our needs and the needs of our schools, our students and teachers, as we see them.

I'm going to go according to the text; I won't read from it all the way through, but I will refer to it as we go.

First of all, the area of textbooks: with our whole new curriculum, virtually we need new textbooks for every subject. In grades 9 and 10, those textbooks were provided as available; some weren't, because the publishers weren't able to produce them, especially for courses at the applied level. For grade 11, funding was provided for math, science and English textbooks, although not enough. We're in a situation now where we're sharing textbooks not simply between schools in Sault Ste Marie but schools such as Hornepayne, Elliot Lake and Wawa. We're trying to ship books back and forth from school to school to meet needs. It's crazy, and it will get worse. We understand that the government has

cut its special funding for textbooks in the area of 50%. Frankly, it baffles the mind that we're expected to deal with one of the most sweeping changes in education but we aren't given the most fundamental of resources to carry them through.

The second point is curriculum. We're finding basically that the applied level program has the rigour of the academic program, as promised, but it's a rigour that students who would have studied at the general and basic levels are finding impossible to meet; certainly the students who would have studied at the basic level cannot handle an applied curriculum. It could be that it's a problem of adjustment, but I think our students have a right to an education, they have the right to a program that they can follow through to graduation; a certificate at the end of grade 10 isn't really fair or just. Resources have to be dedicated to a swift study of the applied program with appropriate measures taken to see that students' needs are met fairly and realistically. We can't marginalize these learners because the straitjacket that we've made for them doesn't fit.

Staffing shortages: there are a number. First of all, with the decision to allow the 0.5 or the extra half class that teachers were supposed to be teaching to be given to other added duties—assistance as opposed to teaching classes—we ended up having to cut classes across the province probably in the area of 8% to 10% because when we took the teachers out of those classes, there wasn't the funding to put other teachers into those classes. So those classes were cut. As a result, we have fewer opportunities for students. Subjects that couldn't have the appropriate numbers ended up being cut first. Other classes have ballooned, especially in mandatory subjects. Sixty of my classes, about 21%, are over the numbers that theoretically we would have been staffing them at, and 25% of them are in what would be violation now—not 25% of my classes but 15 of those classes out of the 60. If we believe in quality education, we need to be hiring more teachers.

Also, we're understaffed in guidance services. Those services were affected by the decision to move away from the 6.5 in the classroom, so guidance sections were cut. They're understaffed to begin with because of the new demands. Students in the four-year program having to earn 30 credits, where kids would have been earning 30 in a five-year program, are under the gun to make good choices, and it requires more guidance. We have a teacher-adviser program that needs to be planned, organized and supervised, and this demands more guidance. Finally, next year, with potentially double the number of students graduating, we need more guidance there to help those students pick their universities, figure out the path they're taking, and we need more help. We need to increase funding for guidance.

Subject area leadership: we've been cutting resources for department heads, lead teachers, things like that, at a time when we're going through the biggest curriculum change in Ontario's history. We should be having more people, more money and more leadership in the schools

to help teachers through and to help students deal with the new curriculum in the best way possible for our students.

The other thing I would mention is something that Gayle Manley also referred to with elementary schools, and that's the funding formula regarding the foundation grant for principals. I mention principals; it does apply to librarians and vice-principals too. One of our schools out of 11 high schools meets the criteria for a principal. We have a school in Hornepayne of 90, and you need to have the school there. The same thing happens in Chapleau, where we're under 200. We need the schools; you're not going to be transporting these kids, and even if we could, the transportation budget isn't there anyway. We need a more realistic staffing formula, considering the kind of geographic board we're in, and I would think this applies across the province to areas outside of the high-density core.

Extracurricular leadership: we all believe in extracurricular activities, but I don't think anybody has paid attention to the amount of work that is required to administer, supervise and organize those activities. At one time, our athletic directors would have two periods a year for the boys, two for the girls. That's gone. Yet the expectations are there. These people are responsible for finding coaches, officiating, arranging transportation, uniforms, scheduling. There is so much to be done. I would say that if the government wants to champion students' rights for extracurricular activities, they have to provide the time, never mind extra money, as part of the position to see that it's done properly.

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Special education funding: the ISA model is a catastrophe. We find that our teachers and consultants are spending more time—hours and hours—working on ISA claims than they are teaching students. We have students who are going unidentified because the consultants don't have time to deal with that; they're busy with ISA claims.

The reduction in funding to other social agencies means supports that we need for our students, a lot of them with special needs, aren't there in the community. A good example of a problem we have is with regard to testing. The colleges and universities have recently decided that someone who is going on to college or university and wants special services has to be re-identified in their last two years of school. That does fly in the face of what a learning disability is by definition, but also those tests cost over \$600 and the boards don't have the money to pay for them. The universities and colleges are likely not paying for them. That ends up being put on to the student and the student's family. It might be all right for me and my son, who had to go through it. I could find the \$600 but there are a lot who can't, and I don't think it's right. If we're going to insist on something like that, we've got to be prepared to pay for it. There's a question of whether we should be insisting at all.

Technological support, computers and education across the curriculum: every discipline, every course



profile, every curriculum mandates using computers and technology as part of the curriculum. The demands this puts on technological support are tremendous. They can't keep up with it. We need to increase funding for that area of education. We have kids who can't get on the computers because they haven't been assigned a number. We have program software that hasn't been loaded on computers for curricula because they just simply don't have time to get around to it. You find you're months, or longer, into a curriculum and the resources aren't there. My science department bought all kinds of software and additional materials for using the computers for grade 9 three years ago that still isn't available to them because we haven't been able to arrange to have it made available with computers. We need to increase technological support.

In technological education itself, we get back to the traditional technologies, construction, transportation, manufacturing. Our schools are aging. The equipment they use certainly is not in keeping with what is found in industry today and we need to review technological education so that we're addressing the real needs so that we are able to produce the tradespeople that our country really requires. To do that, we need to upgrade what we've got available in technology.

I refer next to the "not so double" cohort. Next year, we're supposed to be graduating the grade 12s and the grade 13s, let's call them, all at once. Universities and colleges are saying they can't accommodate them. They are already acknowledging that. We may have not an influx but a reflux of students who are supposed to go to university or college and can't because there isn't space for them. A number of them may be back in our schools, and yet the funding, we've been told, is going to be based on the projected enrolment, which doesn't include those kids coming back. Somehow there's got to be a contingency built in so that we can provide for them properly and not simply say, "Sorry, the money's here, we can't help you," because then it disadvantages students who are still coming through the system. We're going to be stretching our resources too thinly.

Provincial testing: as Gayle Manley referred to, I have concerns about the extent of provincial testing. I would question the idea that we need to be testing every student in grade 9 math or giving every student in grade 10 a literacy test every year. Good snapshots should give us the picture we need. We don't need IMAX.

The literacy test is another example. Using it as a requirement for graduation, I don't know that we're making our students more literate. It's good to focus on literacy, it's good to pay more attention to it, but as a requirement for graduation, I would find it questionable.

With the resources that we're short, in terms of textbooks, problems with curriculum that need to be addressed, short staffing, I think we need to look at how we're spending money on testing and ensure that we're not serving optics instead of education.

PD: I think it's important that teachers continue to develop themselves professionally. At the same time, in

industry, if you want people to upgrade or to train, industry pays for it. The same thing should be happening in education. If we expect people to be going through professional development, then the employer should be paying the fee. It shouldn't be something that's put on to the employee, as it is right now to a degree. The school year has 194 days; only four of them are dedicated to PD or PA, professional activity. It might not seem like a big deal, but when we only have three or four days for professional activity, we take two of them for PD. We go right from exams to semester 2 at the end of the first semester. No time to reorganize, no time to get ready for the second semester. That's for students too. They're going into the second semester not knowing whether they passed or failed the first semester courses.

I think that the school year needs to be adjusted, whether it's lengthened or whether we cut the number of instructional days. I'm not suggesting which would be better, but I think it needs to be addressed.

That basically covers all the points that I want to make. They're in the paper. If there are questions, I'll try to answer them.

**The Chair:** Thank you very much. We have one minute per caucus.

**Mr O'Toole:** You're not a member of the union?

**Mr Greco:** No, I'm not.

**Mr O'Toole:** OK, I just wondered. Your whole issue here is basically you're short a lot of money. I might sometimes agree, if the money's spent appropriately. My daughter is a high school teacher, and I have an ongoing relationship on that basis.

I look at this thing from the bottom up. If you have a thousand students, and the grant's roughly \$7,000, that's \$7 million. A thousand students generates approximately 50 teachers; at \$50,000 each, that's \$2.5 million. Give each child \$100 a month for transportation; that's \$1 million. We haven't spent half the budget yet. Where's the money going? That school, your thousand, would get \$7 million. Not the fact that you don't want testing—what alternative besides adding more money can we get into? There's no one—

**The Chair:** A question?

**Mr O'Toole:** Should we pay teachers for extra-curricular activity?

**Mr Greco:** I don't think we need to pay teachers for extracurricular activity, but we need to provide time for a teacher, or a couple of teachers, to supervise and organize that activity. I wouldn't pay for extracurricular activity.

**Mr O'Toole:** Six out of eight is what they teach today.

**Mr Greco:** As to where all the money goes, as I say, I'm not the expert. I suppose if we had—

**Mr O'Toole:** You're the principal.

**Mr Greco:** Right, but I don't control the \$7 million.

**Mr O'Toole:** Do you teach?

**Mr Greco:** I control maybe \$200,000 of that \$7 million. That's what comes to me to manage, and we do our best within that.

**Mr Brown:** I appreciated it when you mentioned Hornepayne, Chapleau, Wawa, Blind River and Elliot Lake, because those schools are within my constituency. I was actually in the high schools in Chapleau, Hornepayne and Wawa just in the past five or six weeks.

One of the things the members might want to know is that in the Algoma school district, if you take the city of the Soo out of it, we probably have more moose and bear than we have kids. The Queen owns most of Algoma. One of the challenges, then, is to find the critical mass that the government's formulae are supposed to accommodate.

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Therefore, we get into some difficulties as to the urban area of Sault Ste Marie and the challenges of the district. As the waterhole shrinks, I think we're going to see more competition between the two areas, when there has been great co-operation between them over the years, particularly in places like Chapleau and Hornepayne as they try to get resources.

Are you finding that your professionals, your school teachers, are relating more to the district than they were before? I guess that's what I'm trying to get at.

**Mr Greco:** I think they are. The board has made every effort to deal with our issues as a board and they've been very conscientious about incorporating a holistic approach. So when I say "sharing textbooks," I mean that; I just sent a box of textbooks up to Wawa this morning. We're working together. We don't want to be in a situation where we're saying, "We should have more because you're robbing us. I have bigger classes because you have small ones." Those things happen, but that's part of what we hope will be addressed by the government's budgets.

**The Chair:** Thank you very much. Third party; Mr Martin.

**Mr Martin:** Thanks very much for coming this morning and sharing with us some of the challenges you're confronting every day.

As you know, one of the issues in the media these days is that some school boards in southern Ontario are starting to charge for certain courses and for resources for students. I'm interested in your view of that and perhaps some understanding of how close we are in this area to having to do that as opposed to wanting to do it.

**Mr Greco:** I really don't know how close we are, because it's something we've tried to avoid. I can say that we're not able to deliver all the program we'd like. We find that there are students who need to take correspondence courses. We're probably at the stage where we would be expecting students, if not to pay for them, at least to put a down payment toward them, refundable upon their success, because of the costs and the low success rate with correspondence courses.

We have not considered those kinds of service charges as yet. We do have student fees, uniform fees. They will pay for workbooks. For example, grade 10 applied science has a workbook associated with it. They'll pay \$10 for that book, which is consumable.

**The Chair:** On behalf of the committee, thank you very much for your presentation this morning.

**Mr Greco:** Thank you.

#### SAULT STE MARIE CHAMBER OF COMMERCE

**The Chair:** Our next presentation is from the Sault Ste Marie Chamber of Commerce. I would ask the presenter to please come forward and state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

**Mr Ben Pascuzzi:** Good afternoon, everyone. Thank you for giving us the opportunity to present to you today. My name is Ben Pascuzzi. I am the first vice-president of the Sault Ste Marie Chamber of Commerce.

Our presentation is divided into two parts. The first part, as I'm sure you've heard from so many groups this morning, is spending priorities: where should the government be spending its money? I wasn't here for all of the morning presentations, but what I have heard so far hasn't spoken too much to the other side of the equation, and that is the revenue side and taxation.

There are so many things you could talk about in terms of government spending that what I thought I'd do today for you is to highlight three major areas where we see the government can play an effective role, yet a role that is cost-efficient and in keeping with the general philosophy of the Sault Ste Marie Chamber of Commerce, as well as the Ontario chamber.

Before I get into that, I wanted to pass this message along from our board of directors, that we feel the government has done a number of things that are on the right track. I think it's been long shown—and businesses have realized it, as well as respective chambers of commerce—that direct subsidies to business, or corporate welfare as the name is sometimes given, don't work, don't create jobs and don't have a long-term sustainable effect. However, investments in infrastructure, hard infrastructure as well as social infrastructure, do have a positive effect. Just for the benefit, maybe, of some of the committee members who aren't from the north, because obviously there are some here, I'll mention some of the things the government has done that we feel are positive.

The northern Ontario heritage fund over the last five years has injected \$20 million into the north, which has allowed municipalities and other groups to leverage close to \$45 million. There's been over \$48 million invested in the Sault Ste Marie area in highway improvements since 1996. Just as an aside, as someone who personally travels from here to Wawa as part of my law practice, I can say that the roadway is substantially better than it was five years ago. We'd still like to see it improved some more, but it certainly has improved from what it was.

On post-secondary education, it's our understanding that the province has earmarked \$4 million from SuperBuild enhancement initiatives. Sault College has received over \$3 million and Algoma University close to

\$700,000; I'm sure you'll hear comments from their respective presidents this afternoon.

Of course, one of the major announcements, that we think is absolutely critical for developing business opportunities in Sault Ste Marie, is the funding for a new, state-of-the-art hospital in this community. Even with clients of mine, business people who have moved here, one of the very first things I get asked as a lawyer, sometimes even before, "What are the property taxes?" is, "What are the schools like up there?" and, "What are the health facilities like?" I get asked that by business people all the time. So those types of investments are important and have long-term benefit in terms of economic development, which hopefully leads to increased revenue for the government.

Along that philosophy then, there are some areas that we think the government could continue to work on and to improve upon in the area of infrastructure. I don't know if the committee flew up here or drove, but if you did drive from Toronto up this way—no?—you'll understand that the highway between Sault Ste Marie and Sudbury isn't the best at times, and one of the key things we fought for for a long time is the four-laning of the highway. We'd love to see it four-laned all the way from Sault Ste Marie to Toronto, but I guess we have to work in small portions. There's two aspects to that. There's obviously the economic development impact: businesses want to know that they can get their product from their place of manufacture to the destination. And there's a safety aspect. Unfortunately, we too often hear stories of people being injured or killed on our highways, and part of that could be solved, hopefully, by four-laning, passing lanes and that type of thing. There has been some government funding announced for four-laning the highway. It's a slow process. We understand it's going to take till close to 2008 to four-lane a roughly 34- or 35-kilometre stretch, and we hope the government can find the means to fast-track that and as well to expand upon it.

When you look at the location of Sault Ste Marie, we're just across the border from Sault Ste Marie, Michigan, which is one end of Interstate 75, which travels all the way down to Florida. We think that by having a good, accessible, four-lane highway freely from both directions from Sault Ste Marie, but dealing with east now to Toronto, that will allow us to sell ourselves as a community, particularly as a business community, to move goods from southern Ontario through Sault Ste Marie to Toronto.

Somebody made an interesting point to me the other day, that they were able to get from Sault Ste Marie down to Detroit quicker than they could from Toronto to Detroit, even though the distance—I don't know it in kilometres, but I know in travelling it should be about an hour to two hours less time. The reason of course is the gridlock in southern Ontario. We say to the government that if you want to solve gridlock, don't worry about investing more and more in highways in southern Ontario: build them here and we'd be happy to have some of those businesses come north. Part of the problem

that's happened since the mid-1990s is that while southern Ontario has enjoyed sustained economic activity and growth, the north really hasn't had the same opportunities and hasn't shared in that growth as much as we'd like to see. We think that infrastructure along those lines is very important.

The next area that I want to touch on—and I'm sure some of these areas are going to be duplicated by other presenters—is the doctor shortage. Moving away from hard infrastructure, social infrastructure as well is very important. While we know that there is a general shortage of numerous medical specialists throughout the province—throughout the country, really—in the north it's particularly acute, in particular Sault Ste Marie. I know right now in my own family situation there's a family member who is having to travel to Sudbury to see a neurologist. Thankfully our family has the means and the ability to make the arrangements and do the travel, but obviously it would be preferable if that person could get that medical care here.

#### 1250

There are some things in particular that are of concern. Just to give you a better sense, we're underserved in a number of medical areas. Some of this medical terminology is difficult to say but includes such things as family medicine, dermatology, emergency service, oncology, radiology etc. A shortage of anaesthesiologists is forcing the cancellation of surgeries as well. We hope the government can find creative ways in its budget to work with the Ministry of Health as well as the College of Physicians and Surgeons to encourage more medical graduate students to move to the north.

One of the things that is positive that the government has done along those lines is to announce the funding for the northern medical school. The other thing on that issue is that we understand from speaking to physicians—and some are members of our chamber of commerce—that the Ministry of Health does not allow the means of doing business in the north—or makes it more difficult, because of the billing process—and has not agreed to a new system.

Another issue is foreign-trained physicians. We hope the government, again, can find ways—some of this may be budgetary and some of it may be strictly regulatory and licensing—if there are available physicians who are perhaps trained in other jurisdictions, that things be done to facilitate their licensing here in Ontario and hopefully encourage some of them to come up to the north.

The Ministry of Health and Long-Term Care and the Ministry of Northern Development and Mines make financial resources available in the form of community grants to enhance existing recruitment and retention strategies. Here in the Soo we've tried to take a community approach to attracting medical practitioners. The chamber of commerce has come up with what we call a doctor recruitment package, where a number of our businesses have provided financial incentives and basically things to make doctors feel like they're welcome in a community and help them set up a practice.

We're working with the city and the Sault Area Hospitals board of directors on that. Certainly any money that could be made available for those recruitment efforts is money well spent. We're not talking about handing a cheque over to an individual doctor; we're talking about putting resources into the community that will allow the community to attract health care professionals.

The last major area of spending that I wanted to mention to you is tied into one of the biggest sectors, of course, of our economy here in the north: the tourism sector. In particular, snowmobiling—though you wouldn't know it by some of the weather we've had this winter—is responsible for a significant contribution to the economy locally. Again, just to give you some idea of the picture, total direct expenditures resulting from the use of Sault Ste Marie route 3 amounted to an estimated \$7 million in the 2000-01 season. Using the Ministry of Economic Development and Trade and the Ministry of Tourism's 2.6 income-multiplier factor increases the total to \$13 million, which would be the ripple effect.

So snowmobiling certainly has a positive economic effect in our community. However, the snowmobiling industry is facing some challenges. There is a trail network in Ontario of 49,000 kilometres. The average cost of trail maintenance is \$430 per kilometre. Many of the trails are maintained locally by club volunteers, and financial and personal resources are stretched to a maximum. The more funds we have available for marketing and traffic to entice people onto the trails, the better off we'd be. We're looking at it from the perspective of infrastructure. Similar to highways, if you have properly maintained, safe and accessible snowmobile trails through the north, that's going to provide economic benefit and hopefully increase tourism as well as sustain what's already in place.

Again, it's not always easy to say what the solution is, and it's not just a question of cutting a cheque to group A or group B, but it is a question of resources and finding a way, through perhaps the northern Ontario heritage fund or other initiatives, to try to improve and continue to develop snowmobile trails in the north. It may not be a big thing in Toronto, but it certainly has a positive effect here.

Those are just three areas I wanted to touch on on the revenue side. In all of them, I hope I've left you with the impression that we're approaching it from an infrastructure perspective.

On the revenue side, I didn't want to regurgitate too much what the Ontario Chamber of Commerce has presented or will present to you in their presentations. I wanted to re-emphasize from the position the Ontario chamber has taken that we applaud the government for its efforts to find ways to lower taxation generally, in particular taxes that affect business. There are other areas that the Ontario chamber has identified that can be improved in the future, such things as corporate capital taxes, business property taxes, land transfer tax and corporate minimum tax. It isn't a question of simply lowering the tax; it's often a question of how the tax is

administered, the burden it places on business in terms of regulatory requirements as well as filings.

Along those lines, our chamber here has made presentations to the red tape reduction commission when it has been in town. Again, putting on my hat as a solicitor who practises primarily in the area of business law, there have been some positive things done to streamline red tape, but certainly there can be more, and it may require in some cases some budgetary expenditures on behalf of the government to do that. But certainly continuing along that path is very important, because we already face a number of challenges here in northern Ontario. Anything that can be done to reduce the challenges that businesses face is certainly positive.

I think I'll close my comments there, Mr Chair. If there's time for any questions, I'd be happy to field them.

**The Chair:** Thank you very much. We have approximately two minutes per caucus, and I'll start with the official opposition.

**Mr Kwinter:** Thank you very much for your presentation. How do you reconcile a problem that is obviously going to be something we're going to have to deal with, in the sense that on the one hand you talk about various spending initiatives to increase infrastructure, to do all these things, and on the other hand you talk about revenue, you want to cut back on the revenues? We've heard from the Treasurer. We understand there's going to be a shortfall this year of somewhere between \$3 billion and \$5 billion. There are going to be additional pressures on health, education and welfare. There are going to have to be cuts somewhere. What would be your recommendation as to how to deal with this? We have legislation in place that we can't run a deficit. One of the candidates in the leadership race has come right out and said it's ridiculous to suggest that this can be done. Somewhere along the line, something is going to have to go. What would be the chamber's recommendation as to what to do about it?

**Mr Pascuzzi:** I'll answer that question in three parts. The first part is that with any infrastructure initiative, we understand that it's long-term. Obviously, we'd love to see more money in the immediate budget for some of these initiatives, but we understand that, given the current fiscal situation in the province, a lot of things may not happen as quickly as we would like, the business community and the community generally. What I've highlighted are long-term goals. We certainly don't want the government to ignore its immediate fiscal priorities.

The second part, to answer your question, is that, as with anything, when you look at the government and you look at the amount of revenue it brings in, it's not just a question of amount of revenue, it's revenue allocation. The government has to take a good, hard look at where it spends its money. The Ontario government has a huge, huge budget, far bigger than any private corporation that I'm aware of in the province. It's a question of where those spending priorities go.

The general message on top of the particular examples is that it's where you spend the money and that one of the

key areas is infrastructure. Of course there are other demands upon government for other infrastructures, some of which the committee has heard this morning.

1300

We know that's a difficult position. I guess all I can say to answer without pulling it out of the wind, because I admit I don't have all of the figures on where government spends its money, is that certainly it seems every year, even when you look at the Provincial Auditor's report, there's a lot of money that's spent, sometimes questionably in terms of where it's spent, so I think there are some funds available. Again, I appreciate your comments and I think that economic circumstances may warrant that some of these things may be more long-term.

The final part of my answer is that I think we've seen over the past five years that when you lessen regulation and you lower tax rates it doesn't necessarily mean less revenue. In fact, it can mean more revenue to the government because it leads to more economic activity. It's a question of getting through the short-term period of budgetary constraint and then, down the road, government looking at these priorities.

**Mr Christopherson:** Thank you for your presentation. You said during your presentation—I wrote it down when you said it—that social infrastructure is very important. You said that among other things, but that was one of the things you said. Then you also, of course, endorsed the tax cuts that have happened and, if I understood correctly, urged the government to do more in certain areas.

The question I have for you is, how do we deal with the fact that the government went ahead and imposed all these tax cuts? We had an economic boom driven by the US economy, and in key areas that previous Soovites touched on this morning things have gotten worse.

We had a mom in here talking about her son who is autistic and the challenges faced there, and the fact that there was a lack of programs at the end of the day. We heard about seniors who don't have enough money to get hearing aids, to get glasses, to get their dental work done. We heard about disabled individuals in this community who don't have enough money to survive, and that there are abused women who are going back into abusive situations because the programs that would normally support them are gone. These things have all been cut to pay for the tax cuts. Lastly, we heard from a principal and teacher who talked about the deteriorating situation in our education system.

What I fail to understand is how we can afford to move forward with tax cuts when during the last economic boom, all these key human issues, quality-of-life issues, deteriorated. They can only deteriorate further in a poor economic condition, but even more so if we're going into tax cuts.

So the argument is that—and this is what I normally get back—if you go with the tax cuts it creates a better economy and then, as I mentioned earlier on, the tide rises and all boats rise on the tide. But the problem is that

the areas that have been mentioned this morning by your neighbours are areas that did not rise during an economic boom. How do we square that when we try to include all the people in the community of Sault Ste Marie?

**Mr Pascuzzi:** Again, I'm not going to speak to the particular presentations earlier, because I didn't hear them and I'm not familiar with those circumstances and those cases. From what you're telling me, it's a question of where the government is spending money. If I hear you correctly, perhaps there are some areas where you're saying the government should have put money into and it didn't. Maybe it cut it back and that was a mistake. I'm not going to speak—

**Mr Christopherson:** If I can, sir, I'm saying specifically that the tax cuts that you came in and lauded caused these things to be cut. There's the money. If you want to say, "Where is the money to be spent?" it's in the tax cuts.

**Mr Pascuzzi:** I would have to respectfully disagree that the tax cuts have led to those cuts, and I don't want to comment on prior presenters, but I take the position, similar to what one of the other members raised, that there are large pools of money and it is a question of, how is it allocated? I am not saying that the government gets that allocation right in every case, or even in most of the cases. The government can speak for itself.

**Mr Christopherson:** Sir, they cut the income of the poor by 22%. I'll bet that didn't happen with your clients.

**The Chair:** I have to go to the government side; we've run out of time. Sorry that I have to interrupt you before he answers.

**Mr Hardeman:** Thank you very much for your presentation. Again, I want to vehemently disagree with Mr Christopherson: there's absolutely no evidence and no one has brought anything forward to suggest that the tax cut created the problems that we've heard about this morning. What we heard about this morning was a great need for further programming for people who are running into difficulties, particularly not programs that have ever been there but programs that are needed today to further the benefits to the vulnerable in our society. I totally agree with those presentations.

The issue of tax cuts creating jobs and creating a better economy I think is evident. In fact, our economy has done better than any of the surrounding economies that didn't do the reduction in taxation. So I totally agree with your presentation, that we need to look at doing more of that to make sure we have an economy that can support all the services that create the best living environment in the world here in Ontario.

I don't know where they're coming off suggesting that we could go back to the way former governments spent money they didn't have and created the need to take 10% of our revenues today to pay the interest on the debt that was created by those same governments that were going to be all things to all people and ended up being nothing to anyone. I think that's why we don't have the ability to increase the type of programs we need for our people. It's not because we have put tax cuts in place the last six

years; it's because former governments spent money they didn't have and we now are paying for that. If we keep doing that, we will have our children paying for what we are consuming and weren't willing to pay for.

So I want to commend you for your presentation and suggesting from your perspective that reducing the burden and creating an environment for business to invest here will create more jobs and provide the ability for people to support themselves. I just want to thank you very much. I don't have a question for you. I want to thank you very much for your presentation.

**Mr Pascuzzi:** Mr Chair, if I can slip in just two comments, I don't want to give the appearance that I'm insensitive to the members' comments because I think part of the problem is that it's true that in the north we have not benefited to the extent that southern Ontario has from those tax cuts. We haven't generated the economic revenue, the city hasn't earned the property and commercial taxes that it should have earned that could be used toward programming, considering especially that many of those social services are now provided by the local municipality. So there has been some breakage there.

The other thing is again to emphasize what I said earlier: it may very well be that at this moment in time further tax cuts or cuts to tax rates are not possible, and that's fine. But there are some things that the government can do very simply. Just as one quick example, the Ontario Chamber of Commerce is talking about making changes to the land transfer tax. I'm quite familiar, as a real estate lawyer, with how it works. Essentially when the same corporation or the same owner of a corporation transfers his property from one company to the other it creates a tax burden. That makes effective business development sometimes difficult. It can be a revenue-neutral situation that you can do to improve taxes.

So it very well may be that at this time tax rates can't be cut. But my only point is that, heading down on the long road, we think that there is ability for government to make targeted investments and targeted specific infrastructure. But certainly we have unique problems here and that's very much the case.

**The Chair:** With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

The committee will recess until 2:30 this afternoon.

*The committee recessed from 1309 to 1430.*

**The Chair:** If I could get your attention, I'd like to bring the standing committee on finance and economic affairs back to order as it is 2:30. We have one piece of business before we proceed to the agenda. I would like to inform all the members and the staff that taxis will be leaving at 5:30 sharp this afternoon.

#### SAULT/ALGOMA ODA COMMITTEE

**The Chair:** Our first presentation this afternoon is from the Sault Ste Marie/Algoma Ontarians with Disabilities Act Committee. I would ask the presenter or pre-

senters to please come forward and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

**Ms Dorothy Macnaughton:** My name is Dorothy Macnaughton and I'm presenting on behalf of the Sault/Algoma Ontarians with Disabilities Act Committee. To the members of this finance and economic affairs committee, thank you for letting us be here to present this to you and thank you for coming to Sault Ste Marie.

I'd like to take some items from the printed material you have, but because of the limited time, I don't want to spend a lot of time going into that in detail, so hopefully there will be time for questions.

This presentation will give you concrete examples of the needs of real people who have disabilities, with real problems in real-life situations. We want you to know how improved funding will make our lives better and go a long way toward increasing our independence and productivity.

In our group there are approximately 60 members, and I'd like to introduce the ones who have come to provide support today. We have Hedi Kment, Clare Walker, Larry Knapp and his wife, Rhea Knapp, Sylvia Mosher, John Fedorchuk, Cornelia Bryant, Gerhard Nehr—let's see; I don't want to forget anybody—George McVittie, and Judith Molinaro. I think I got everybody.

One of the strengths of our committee and one of the reasons we feel compelled to be here today is that we represent a lot of people with different disabilities; we're not just one disability. I feel the issues we're going to be raising today apply to people with disabilities all across this province.

We ask that you seriously consider funding and improving government programs which fail even to serve the purpose for which they were created and which actually create barriers for persons with disabilities. In the Ontarians with Disabilities Act, "barrier" is defined as anything that prevents a person with a disability from fully participating in all aspects of society because of his or her disability, including an attitudinal barrier, a technological barrier, a policy or a practice.

The programs we're highlighting help those with disabilities to a certain extent, but they just don't go far enough. The cost of living and the cost of adaptive equipment are greater than the maximum amounts presently being allocated. More money needs to be allocated to these programs so that people qualifying for them will be able to live more independently.

One of the programs we're going to be dealing with is the ODSP. You heard about this this morning, the Ontario disability support program, and it does fall abysmally short of the mark. People on this program live far below the low-income cut-off as defined by Statistics Canada and thus cannot afford even the basic essentials. A single person in a city of our size on ODSP may receive—doesn't necessarily—a maximum of \$930 a month. The low-income cut-off is \$15,648 a year. That low-income cut-off is what used to be referred to as the poverty line.

A person has nothing to fall back on if ordinary living expenses are greater than expected or if a financial crisis arises. The most typical ones we mention are rent increases and, of course, when living in the north, heating costs during the winter.

I did include for your information that Statistics Canada information about low income cut-offs, and I also included another document that talks about the number of people in Ontario with disabilities who are classified as poor. That's according to the Canadian Council on Social Development. Just so you don't have to flip to that, the statistic is that 27% of people on disabilities are actually classified as poor.

We also will go on to talk about the assistive devices program, which you heard a little bit about this morning, and the Ontario student assistance program. We'll go to page 4 and deal with each of these, and I'll try not to take too much time.

The ODSP, in its present form, has been in place since 1997. There were other similar programs before that. The government does, through this, provide financial support for persons with disabilities. The way it's set up, it's divided into two separate sections. They're designed to provide "income and employment supports to eligible persons with disabilities." In the act, it states that it is designed to "effectively serve persons with disabilities who need assistance." We feel it's not effective, that that word is not being applied, and part of the problem is funding. The income support part of ODSP is designed to provide people with what they need in the way of basic needs, shelter, costs related to a person's disability and other prescribed needs, and includes benefits. By the time a person pays for their rent, some food costs, transportation, health-related costs, equipment and/or maintenance costs, they're often out of money before the next cheque arrives. This isn't because they can't manage their money; it's because the ODSP payment is just not enough to live on, and you heard reference to that this morning. The situation is getting worse. ODSP payments haven't kept up with the cost of living, and as we know, everything is more expensive.

There is a list of expenses that they will cover. Many expenses that they don't cover are necessities. We've outlined a few examples; I'll just touch on a few. For example, the program covers the cost of lenses for glasses, but not the frames. Someone could therefore be able to get the lenses but not have enough money to afford the frames. Does this make any sense? Why not cover both? What happens if the frames break? I mean, that's not necessarily due to carelessness. We provide some other examples. Necessary supplies for diabetics, such as insulin and syringes, are covered under Ontario drug benefits. However, needles aren't covered, and they can add up to an average of \$240 a year, or even more. None of the other provincial programs cover needles unless the person is 65 or over. Wouldn't it make sense for needles to be covered by ODSP along with the other diabetic supplies? I mentioned this in Sudbury: why can

drug addicts get free needles through a needle exchange program yet diabetics must pay for their own?

You heard from the Sault Community Assistance Trust program this morning, and you heard that people on ODSP are accessing those funds. They have very little recourse.

The second part of ODSP is employment supports. That's defined as "the prescribed goods or services provided to a person in order to remove barriers to the person's competitive employment and assist the person in attaining his or her competitive employment goal." Basically, that program provides opportunities for people who are disabled to find work, to receive training for work and then once they're hired, they can make a maximum of \$160 per month over and above their standard ODSP payment. Above that, a percentage is clawed back. As a result, many end up being penalized if they work too many hours. The government needs to make certain that a person on ODSP employment supports also makes a total income at least equal to the low-income cut-off. I don't know if I mentioned this before, but we'd like to request that the government provide enough funding for everyone on ODSP, whether it's the income support part or the employment support, to bring them up to what Statistics Canada defines as the low-income cut-off, because what they're living on now is just not acceptable.

#### 1440

I'll just mention that in this document we've also outlined improvements to the actual program that we feel need to be made. We feel it's not just a matter of funding. Some of the situations that arise are as a result of difficulties with the way the program is set up now.

The first thing we'd like to see is the ODSP payments increased yearly. We talked about that earlier. The bureaucratic red tape really causes a lot of difficulties, and we go on to elaborate on quite a few more of those situations. For example, a person shouldn't be told that their payments are going to be cut off unless there's a justifiable reason, and you certainly don't deliver that news on Christmas Eve when it's the fault of the employer. We outline some other possibilities where we feel the program needs to be improved.

I'll go on to the assistive devices program, which is on page 12. This of course is in large print; it would be smaller if it were in 12-point print. The assistive devices program we feel needs to be changed and improved. We realize people with disabilities in Ontario are extremely fortunate to have this program. It covers up to 75% of costs of specialized equipment—not all—things like wheelchairs or computers with adaptive software. As it stands now, the remaining 25% must be paid by the consumer. In a lot of cases, there are people on ODSP who don't even attempt to get the equipment they need because they know somehow they'll have to find that 25%. Even if it's a service club, they have to go and approach them. We feel that people on ODSP and people on low and fixed incomes should receive 100% funding for necessary equipment.

We also offer some examples. ADP will cover either a manual wheelchair or an electric wheelchair. Some people need both. Just to give you an idea of the costs involved, a wheelchair costs about \$3,500. Someone might have to pay 25% of that. The program doesn't cover batteries for electric wheelchairs at all; they can cost around \$500, and the person with disabilities has to make up that cost. A speech program for blind people costs almost \$2,000, never mind the cost of the computer to go with it. There are quite a few other examples. Drivers with physical disabilities who require testing for their driver's licence—this is on page 15—must cover the cost of a trip to and from Sudbury, plus an additional \$700 for the testing. This isn't covered by ADP.

On to the Ontario student assistance program. Basically, in a nutshell, the OSAP program provides \$7,000 per academic year. We feel that needs to be increased. The maximum amount should be raised to at least \$10,000. That way, if the student requires a more expensive piece of equipment, the funding would be there for the institution to access. We also feel that there are other issues around OSAP, and we've tried to lay them out for you. For example, materials are often late for students who need them right away. They need them on the first day of school, not a considerable length of time down the road. Anyone who starts off on ODSP and decides to go to school loses their medical benefits and drug coverage. That puts them in a terribly difficult situation.

When a student completes their education, if they don't have a job, the repayment plan for the OSAP loans should be adjusted so the payments they have to make to OSAP don't mean they have less in the way of ODSP funding. These programs are often interconnected, and where there are difficulties with one, it needs to be organized in such a way that everything makes sense with all of them.

Finally, we want to just touch a little bit on the issue of employment. We want you to be aware of the financial difficulties people with disabilities face when they try to find employment. I've included more information from the Canadian Council on Social Development that goes into the unemployment rate of people with disabilities. It's a given that it's going to be considerably greater than for the average person who isn't disabled. If you put a lot of money into programs to fund education for people with disabilities or training under, for example, ODSP employment supports, there needs to be more in place for these people in the way of employment when they graduate. There need to be further incentives for employers. There needs to be education of employers as to the abilities of people with disabilities.

I'd like to conclude by saying that if you listen to the voices of the people who live with disabilities on a daily basis and if you take immediate action to put the necessary financial requirements in place, this province can once again, as with the ODA, be a leader in championing the rights of people with disabilities. Thank you.

**The Chair:** Thank you very much. We have approximately a minute and a half per caucus. I'll start with the NDP.

**Mr Martin:** Thank you for the excellent work and effort obviously put into the very comprehensive brief we have before us.

You were here this morning listening to the conversation around the table. The government makes the case that if we give tax breaks, that improves the situation financially such that government actually generates more revenue and therefore can provide more services to people. We've had some very good economic times for the last five or six years, up until about six months or so ago, driven by the good US economy, and we've had significant tax breaks. What I want to know from you, representing the people you speak on behalf of today living out there in communities, trying to keep your life together, have you felt any significant improvement in your circumstance over the last five or six years?

**Ms Macnaughton:** Speaking on behalf of the people in our group, who, as I said, represent a wide variety of disabilities, I think the situation has deteriorated. People have less money to live on and higher expenses. That's the reality. Unless the government does something to improve people's situations—people are in desperate situations. I don't know what some people are going to do. I really shudder to think. They have very little recourse.

**Mr Martin:** So the formula doesn't work.

**The Chair:** Thank you very much, Mr Martin. The government side.

**Mr O'Toole:** Thank you very much for a very detailed presentation. I have looked through the couple of indexes you've provided. Thank you for that research. I do recall the great effort you made, during Bill 125, to appear in Sudbury. I suppose many of the people here recognize that you were there as well. I know how difficult that was, to get to Sudbury, but I'm pleased we're in Sault Ste Marie today, at least for your particular group to be able to attend.

There's one thing in here that we do hear in the constituency office, certainly in my riding. It's the assistive devices program administratively, especially for people with permanent lifetime disabilities. I'm sure you work with this. Do you have any idea what the cost would be if, at some income level—let's say it's the LICO number—the people with those kinds of incomes would not have to pay that additional 25%? Have you any idea, ballpark?

**Ms Macnaughton:** You see, the way ADP is set up right now, income doesn't enter into it.

**Mr O'Toole:** I know, but I'm suggesting that if you were to qualify for that additional 25% to be covered—

**Ms Macnaughton:** Oh, I see what you're saying.

**Mr O'Toole:** —to add those groups, do you have any idea what that number would be for people on ODA?

**Ms Macnaughton:** People on ODSP.

**Mr O'Toole:** Yes.

**Ms Macnaughton:** I honestly don't know. I don't think you're talking huge numbers. I don't think you're



even necessarily talking huge numbers who access ADP for really expensive equipment. There are lots of people who access ADP for smaller items, like a white cane, for example, that costs maybe \$20 or something like that. Out of the million and a half people in Ontario with disabilities, I don't think you're talking huge numbers of people or a huge amount of money for the larger items like wheelchairs and speech programs and computer equipment and things like that for that extra 25%. I don't think it would be a huge amount of money.

1450

**The Chair:** The official opposition.

**Mr Brown:** I know of the good work of your committee. I want to thank you for coming out to see Steve Peters when he was here a couple of years ago and working with Ernie Parsons.

I represent the district. Tony does a fine job in Sault Ste Marie but I represent out in the district. One of the challenges for my particular constituents is the distance involved, being in Hornepayne, for example, and having to access the particular services of the government. As a constituency politician I have the difficulty with the ODSP and all those sorts of things that I think anyone would, but obviously services in the smaller communities are even more difficult than they are in Sault Ste Marie.

I wonder if your group has been thinking about the transportation needs. After all, Hornepayne is actually farther away from Sudbury than from Sault Ste Marie. To many of my constituents it is a huge challenge coming to a centre even like Sault Ste Marie, which we would see as a big centre, to access services. Have you given any thought to how those folks in the rural north might be able to better access even the programs we have today?

**Ms Macnaughton:** That's a really good point. We've discussed some of the issues that affect the more rural areas. That's a difficult situation because even agencies that serve people with disabilities run into problems with this because they tend to have the head offices in a larger centre. I don't know whether you could have a satellite office. You even run into problems with 1-800 numbers. I don't know what the solution is there, but I do know from personal experience with CNIB clients in the district that they get very frustrated feeling that they are not being served the same as people in larger centres. So it is a real issue. I don't know, but I think the government should find ways of addressing it.

I think one of the best ways is to get the consumers involved. This is what I think they did right about the ODA. They have actual disabled people involved in the whole process, from the top level right down to the municipal level, and this is what's needed. I think you will have some really interesting and creative solutions come about when you involve the stakeholders.

**The Chair:** Ms Macnaughton, on behalf of the committee, thank you very much for your presentation this afternoon.

## GROUP HEALTH CENTRE

**The Chair:** Our next presentation is from the Sault Ste Marie and district Group Health Association, the Group Health Centre. I would ask the presenter to come forward. If you could state your name for the record, please. On behalf of the committee, welcome.

**Mr David Murray:** My name is Dave Murray. I am the CEO for the Group Health Association at the Group Health Centre. I have a short prepared text to go through and then I'll be available for questions.

Thank you, Mr Chairman and members of the committee, for allowing me the opportunity to speak today.

In my remarks I want to cover three key areas. First, I want to share with you some of the work that we do at the Group Health Centre. Second, I would like to engage your support for our model of care and, lastly, in the upcoming provincial budget, I'd like you to consider committing greater resources to primary health care.

The Group Health Centre is a facility that has operated in Sault Ste Marie for almost 40 years. Our focus is on the provision of multi-disciplined health care, research, health promotion and wellness education to over 50,000 rostered patients. Our goals are to keep our patients healthy by detecting illness sooner and decreasing reliance on hospitals.

We believe that the Group Health Centre stands apart from the traditional Canadian health care delivery models. In the traditional system, various providers are often pitted one against the other for scarce resources. In our model, we work together very collaboratively with physicians to determine what services will be provided and how they will be provided. We tailor our services to meet the needs of our patients, and through our economies of scale, we can provide efficient, cost-effective health care that achieves better health outcomes.

The Group Health Centre is the health care program of two organizations. One is the Sault Ste Marie and District Group Health Association, which is governed by a community board of directors, and the Algoma District Medical Group, an independent group of physicians. It is the uniqueness of this partnership arrangement that sets us apart from other health care facilities and delivery models. This partnership is important because it defines why we believe we are at the forefront of a new way of delivering health care to Ontarians, although we've been around for 40 years. We're not the only ones who feel this way.

You have my speaking notes, I guess, so I don't have to actually read it; I'll hit upon the points as we go through.

Last spring, last May, Commissioner Romanow made one of his very first stops at the Group Health Centre. We're one of only 14 sites that he visited. He was very impressed by a lot of the things that we do, especially our comprehensive model. He noted that some of the work we're doing on outcomes—I'll explain that in a little bit—is certainly some of the leading-edge work that is

happening in primary care in North America. We also have chronic disease management programs and significant infrastructure in our IT area. He called us the best-kept secret in health care that there is, and that's something which we've traded on quite heavily since he used it last May.

Last summer the Honourable Tony Clement visited GHC and he expressed that our model was worth proliferating. He recognized the unique offering for patients and how services we provide in this environment translate into long-term benefits, not just for patients but for physicians and for our community as well.

We are efficient and we produce positive, provable outcomes, something which is not often looked at in health care. We are proud to be the first primary care organization in all of Canada that can make this claim.

The jewel in our crown, however, is our electronic medical record system, the largest implementation of EMR in primary care in Canada. It is the cornerstone of every procedure, episode of care and intervention at our facility. Since 1998, all of our health records have been computerized using this EMR system. This saves thousands of dollars in paper, space and other related costs. It also provides for better medical records in that they're more up to date, they're more timely and they're more accurate. We've been able to redirect the savings that we did realize into additional front-line care. Every one of our over 60 physicians uses the EMR.

Our evidence shows that since we implemented EMR, we have more accountability, efficiency and an increase in physician-to-patient time. The bottom line: EMR helps us serve patients better.

We believe that EMR is the key tool to improving health outcomes for patients. It drives our programs, it links our physicians to their patients like never before, and it saves time and money.

I'll give you one example on the following page. It's the idea of the way in which health care is shifting from its focus on acute interventions that we were used to in the past to the idea of chronic disease management. As the boomers get older, chronic diseases set in. That's going to be the major challenge. How do we keep people healthy while they still are suffering from these chronic diseases? One of the biggest is diabetes. It impacts a lot of Canadians. We know there are 2,281 people on our roster who have diabetes. We have, at our own expense, developed a template that fits on to our EMR that identifies those diabetic patients and makes sure that the care we provide to them is well coordinated and monitored. This means that we end up with better outcomes for our diabetics than any other organization in Canada, something we're very proud of.

The benefit is not just monetary. These people do then get to lead a better quality of life. Also, we manage to hold off some of the downsides of diabetes, such as amputations, shorter life, dialysis etc. As I point out, one year of dialysis will pay for a lifetime of diabetic management. You can see that if we do things a little dif-

ferently, there are ways of saving money and redirecting those funds.

To help you formulate your opinion, I would like to take some time to provide the committee with a brief history of the Group Health Centre.

In 1962, John Hastings, a medical professor at the University of Toronto, spoke at the groundbreaking of the GHC. He said, "This century has been one of scientific and technological advance. In no field has its impact been greater than that of health...."

"Somehow," he said, "the GP and the specialist need to be brought together in a co-operative group, which preserves the intimacy and the interest in people. For the patient, this group practice means that care is available all the time, including specialists, when required." That was 40 years ago and it's something which still drives us today.

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In the recent public survey on health that your government undertook, the findings from more than 400,000 respondents spoke volumes about what they wanted to see in their health care system. They want improved access to services and they want greater relationships with a team approach to health care.

Let me provide you with a further example of how we do things differently, with benefits to patients and funders alike. In partnership with the Sault Area Hospitals, we instituted a congestive heart failure patient protocol. Congestive heart failure is the number one cause of admission to hospital in Ontario. On average, a significant percentage of these patients—usually around 30%—will end up having to be readmitted within 30 days. Because of their condition, they're often lengthy stays, averaging 11 days per stay, and may require some time in the ICU.

The protocol that was developed between the Group Health Centre and the Sault Area Hospitals worked with the CHF patients and another team of health professionals, including pharmacists, nurses and dietitians. They helped the patients and their families sort out the drugs that these CHF patients were on—they're often on several different drugs—and helped to educate them and their families about the importance of controlling their diets and monitoring their weight to see whether or not there was water retention, which is one of the signals that CHF patients are getting into trouble.

The education is followed up by home visits by our visiting nurses. This monitoring program is much like a maintenance program. The results: the readmission rate for this key group has dropped by 70%, and it's been held at that lower level for 18 months, while our costs for this program are minimal because it's using resources we already have in the system; it's a case of how we organize those resources. The savings have been significant. We've saved, just with our own rostered population, approximately \$350,000 in hospitalization costs, not to mention the fact the patients are enjoying a better quality of life.

You'll see some newspaper articles on this and in the Medical Post article in the package of information you've got.

If you were to use this same protocol across all of Ontario and get similar savings, you'd save about \$100 million. And that's with very little new money having to be spent.

We believe that the model we have can work for others in Ontario and ultimately throughout Canada. Our enhanced primary care model emphasizes the front end of the health care system—health promotion and illness prevention—rather than the back end: ERs and hospital visits. This is crucial for sustaining an efficient and effective health care system for all of us.

With health care costs soaring, there is a need to explore alternative funding and health care delivery models. This is our appeal today.

We are well aware of the efforts of government to date on this approach to creating a sustainable model. The family health networks represent a significant commitment by the government to moving toward a reformed primary health care system in this province. We are supportive of this development but modestly offer that our model goes a step further and represents an exceptional opportunity to simultaneously meet the needs of providers and community members in a comprehensive system of care that is cost-effective for the Ministry of Health.

We encourage you to continue to work to find viable solutions that may in fact be outside the box. New approaches to health care like our enhanced primary care model can coexist with the government's priority list.

Further, we urge you to continue to deliver on your funding promises to organizations like ours and continue to fund them appropriately. With your help and an open mind to a vision like ours, we will make sure that not just patients in our community but across Ontario will benefit.

In closing, I'd like to offer an invitation to you and your colleagues at the Legislature to come and see the GHC for yourselves. We think it's time to share the best-kept secret. Thank you very much.

**The Chair:** Thank you very much. We have approximately two minutes per caucus, and I'll start with the government side.

**Mr O'Toole:** Thank you very much, Mr Murray, for a very comprehensive file on a very successful program. I might say it's not news to any of us here on this side. In fact, I think this government sort of started with the primary care reform, Dr Wendy Graham's model report. I think you've seen that. And you know of the struggles between the various stakeholders—a lot of turf stuff going on here. We don't need to talk about it; we're all aware of the certain sacred cows.

I do commend you on the work, but also the—about three little points. The smart card or the patient record system: how have you dealt with the consent and disclosure issues? That's first. Because that's a current issue on the whole smart streamlining, harmonizing—

**The Chair:** You only have two minutes, Mr O'Toole.

**Mr O'Toole:** Yes. With respect to diabetes, there's great evidence that that's going to be just ramping up big time with age and other populations, the kind of diets, I guess. It's about \$200,000 a year, or more, per patient, so it's a huge cost driver. Tell me about your success there, and outcomes.

And the last is the congestive heart failure, the amount of money you're saving, not just on readmissions, but the administration, coordination of drugs, which are another huge cost driver. Perhaps you'd like to respond to those.

**Mr Murray:** OK. On the first one that you mentioned, the smart systems, the EMR and getting consent, we're in the process of probably rostering our entire population this year. We have been very involved with the development of legislation. We also do research; we have a research ethics board. For anything that we do, we do get consent. All of our patients fill out the consent for any research we do, but we look at the rostering as an opportunity to update our consents for everything we do, because a lot of them go back 20 and 30 years. So timely and informed consent is very important to us.

The second issue that you raised is around the diabetes. It costs Canada \$15 billion a year in diabetes care. There is no comparable data for what we do in Canada, so we compare ourselves to the best HMOs in the States which have obviously a vested interest to keep people healthy because they're paid on a capitation basis. Kaiser Permanente, out of California, which has about 400,000 people with diabetes throughout their network, manages it very aggressively. There's a score. Just to put it roughly, they score about a 71 across 10 different things you track with diabetes. We scored 73 over the last six months, which puts us as high as anybody in North America.

These are outcomes that just by monitoring them and making sure that you're trying to control those things you'll end up with people who are getting better health outcomes.

The last one that you mentioned was—

**Mr O'Toole:** Congestive heart failure, multiple drugs and how that—

**Mr Murray:** We have pharmacists, we have people who can deal with that. It's a case of having somebody quarterback it, sit down and make it happen. That's what we can do as a large group practice: we can bring the necessary resources into play, that somebody takes responsibility and sorts those things out.

**Mr Brown:** Good morning—good afternoon; I'm losing track. I've been at your facility on quite a number of occasions, as have a number of my colleagues. I think we've all been impressed with talking to your staff and with your physicians. But one question I have, and this is not new and shouldn't be seen as a criticism of the government, but you have existed for 40 years; I think the first time I was at your facility was probably 1988. A series of governments has not chosen to use what seems to most of us to be an obvious solution to a problem we're all having. Do you have any thoughts as to what

the impediment is to spreading this kind of good news model?

**Mr Murray:** I think somebody alluded to the turf issues before. In reference to the Ontario Medical Association, we have included them in our negotiations. We're currently in negotiations with the ministry. We realize that there has to be acceptance of our model. We obviously have 65 physicians who are, like most physicians in Ontario—it's not like we have a special breed of physician here. They liked the model. We have to make sure that we have a buy-in by the Ministry of Health, which in the bureaucracy has been difficult to do: it's not something that they developed, so it's something they at times may not embrace totally. We have to get the buy-in at the political level, and that's in all political parties. So trying to get all those things to happen concurrently has been a challenge.

**Mr Martin:** I would suggest to any of you who've gotten the package to take a look, when you get a minute, at the magazine that they put out called *Take Care*. You'll see on the front the grouping that Mr Murray has referenced: the Group Health Centre, the Algoma District Medical Group and the minister himself. There's also another group represented there that I think it's important for people to know about, and that's the Steelworkers.

It was the Steelworkers in this town, responding to a need for medical coverage for their members back in the 1960s, who actually developed this unique approach and still continue to be very active in the governance of the organization, and giving major leadership. Tom Bonell, the gentleman identified in the picture, is the present president of Local 2251, the biggest local at Algoma Steel.

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Having said that, I was in the minister's office last week for about an hour talking to his executive assistant about the emergency room difficulty that we're having right now. I also brought up the fact that the Group Health Centre has been trying for quite some time to get an agreement on a contract to continue to deliver not only the service that you now deliver, but to build on that, to provide even more service to our community as we struggle to attract doctors, and we know of the very positive track record of the Group Health Centre on that front.

Maybe you could expand a little bit more for us here so that we might all understand and perhaps, as we meet with people like the executive assistant to the minister, we might be able to make your case. Why is it the executive assistant was actually surprised that you didn't have an agreement? The minister was so impressed with the centre, indicating that it is where they want to go, and yet we can't get an agreement on funding. Why is that?

**Mr Murray:** There's a considerable investment of the bureaucracy's time and energy in the current family health network scheme, and that program is taking up a lot of their time and effort, so we once again get relegated to the back burner. It's only when we get into a true financial crisis that they notice us. As an example,

the last time we met with them to negotiate was December 6. They've given a commitment that we will have a signed agreement by March 31, but when you only meet once every three months, it's going to be very difficult to achieve that. We've been without a contract for two years.

It is of concern to the board that our model is really at risk of perhaps disappearing in the next six to 12 months without some firm direction from the ministry. It concerns us that there doesn't seem to be a willingness to accept other models that are available right now. I heard somebody mention the Ontario Medical Association. They see primary care as the domain of the family physician. Certainly the family physician will always play the most important role in the delivery of primary care in Ontario, but we think there's a real role for communities to play in the governance of primary care. We think we bring a model that allows the community to have some say in how primary care is delivered but makes sure that physicians get to retain their autonomy and their professional independence. We think we're a natural mix for those two, but unfortunately the ministry at this point in time doesn't seem to see a need to have that community governance aspect; it really did come about by accident. The Steelworkers started it 40 years ago. They built the building we're in. We don't qualify for capital money. All the capital money—and it has been over \$15 million over the last 40 years—comes from the community, not from the Ministry of Health. So it's just a different philosophy. We hope eventually the ministry understands the need to have public governance involved in primary care.

**The Chair:** With that, we've run out of time. Mr Murray, on behalf of the committee, thank you very much for your presentation this afternoon.

#### ALGOMA UNIVERSITY COLLEGE

**The Chair:** Our next presentation is from Algoma University College. I would ask the presenters to please come forward, and if you could state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

**Mr Bud Wildman:** Thank you very much, Mr Chair. For those of you who don't know me, my name is Wildman. This is a bit of a busman's holiday for me, I guess. I do appreciate the opportunity to have myself and Dr Ross make a presentation to you about Algoma University College. I want to, on behalf of the university, welcome you all to the Soo and thank you for the opportunity. I'll just make a couple of very brief comments and then I'll turn it over to Dr Ross for the main presentation.

Algoma University College is an affiliate college of Laurentian University in Sudbury. We are one of the smallest post-secondary institutions in the province. Our current enrolment is 665 full-time-equivalent students, but we are growing. We have grown at an average of about 7% a year over the last three years, and this year is

the first year where our out-of-region applications were higher than the applications from within the region. That bodes well for the institution and also for the community, because we estimate that each out-of-region student coming to study at Algoma brings approximately \$19,000 a year into the economy of Sault Ste Marie. Our strategic plan goals are to grow to about 1,000 full-time equivalents over five years, and so we have an ambitious plan but we also acknowledge the double cohort that is going to be coming into the post-secondary system very soon.

With that, I will turn it over to Dr Ross to make the rest of the presentation.

**D<sup>re</sup> Celia Ross :** Monsieur le Président, messieurs les membres, on est enchanté que vous soyez venus à Sault Ste Marie. C'est vraiment rare que l'on vient vers nous et on vous en est très reconnaissant. Merci.

I'll try to go through the presentation rather quickly and highlight the main points and then leave you time to ask us questions. As Mr Wildman said, we are in a growth mode; we weren't always. We tend to be a little bit cyclical, almost like the steel industry. The last time we went downhill in enrolment, the Ministry of Training, Colleges and Universities said they would maintain our funding at its traditional levels if we would submit an annual strategic plan. We're doing this now, and since we started submitting the annual strategic plan, we have been growing. We've also regained fiscal stability. I want to thank the ministry and the government of Ontario for having that faith in us and for maintaining our base funding.

That's the first point I would like to make: that some of the funding models now in place for universities penalize them for lack of success. When you are not being successful for various reasons and your student numbers may be declining, you are losing in tuition fees. If, on top of that, you start getting penalized in basic operating grants, then you really can't recover, or it's very difficult to recover. So we're very grateful as a university college that we were given this chance to recover, that the ministry worked with us on the strategic plan and that now things are working well and we are prepared, as Bud Wildman said, to do our share in the double cohort education difficulty and beyond.

We're working hand in hand with our community. A few considerations about our community: I'm sure you've heard by now many times that northern Ontario communities, which were heavily resource based and very dependent on resource-based economic measures, are seeking to diversify. Certainly the Soo is seeking to diversify, and we've said for a couple of years now that we want to become a more knowledge-based economy. To do that, there has been a lot of discussion happening. There's a strategic growth mandate plan in place now in our city, and that plan acknowledges the key role of education in creating an educated workforce which will support the knowledge-based economy. So we're very pleased at Algoma to be working much more closely than ever before with our community and being much more

mindful than we ever have been before of our role in economic strategies.

We've started accessing—which for us, as an educational institution, is novel—FedNor funding, and we're applying now for northern Ontario heritage fund funding. The grants that we've received from the Ministry of Training, Colleges and Universities are no longer sufficient to support our growth. They're certainly not sufficient to support our capital plans. So we have to turn elsewhere. We're thankful for the support we've got so far from the heritage fund and from FedNor, and we're certainly planning on going to them and asking for more monies and of course to access those monies. They're not going to fund our basic education role; they're going to fund our economic diversification role. So we're highlighting that.

Our budget is made up from various sources. I've summarized them briefly on this sheet, and I won't go over that other than to say—that's on the top of page 2—that we've received \$650,000 from SuperBuild for a new building. We were quite ecstatic when we received it, and then of course we did a few calculations, and \$650,000 won't get us very much for a building. So it has precipitated us into two or three years of very hard work, which hopefully will culminate with the shovel in the ground this summer for a \$5.5-million building. So we've grown that money a lot. It has been a lot of hard work. Here again we're hoping for quite a contribution from the heritage fund. I can't underline enough how important it is for northern Ontario to have these pockets of money to assist us with our various growth initiatives.

My first request in this pre-budget consultation is rather simple. We're on a strategic plan at the university with the ministry, and we're being watched very carefully. We're being given two measurements of success; one is, is our enrolment growing? It is. Every September we can send a report to the ministry showing how enrolment is growing. Two, do we have balanced budgets with a surplus so that our accumulated deficit can be paid off? This is what's giving us problems right now. Our fiscal year ends at the end of April, and I still don't know our full funding for this fiscal year. I'm still waiting on what I hope is going to be a fairly significant portion of this year's funding, which is the accessibility fund. It hasn't been announced yet and I don't know how much is in it. Obviously the monies that we get from the accessibility fund are going to have to be spent next fiscal year. Then, of course, our board of governors and Bud Wildman are busy saying, "Let's be responsible here. You've got to keep balanced budgets," so if you're not sure what that envelope is going to be for next year it can't be for ongoing funding. I need to hire more professors. There's a shortage of professors in the province, there's a shortage of professors in North America, and a professor is not going to come for a one-year contract. So I'm stuck. I've got money for one-time expenditures but I want to make an ongoing commitment.

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My first request is, if at all possible, it really helps the university sector—it really helps all the public sector—if you want us to be accountable and to spend money wisely, to know what we've got ahead of time. Of course, we're all living in fear and trembling of what cuts might come next year. I'm drawing up my budgets for next year and essentially I have to present the board of governors, in another couple of weeks, with two budgets, one assuming that our funding levels are maintained and the second one assuming a cut, and I'm not too sure what sort of cut to assume. The worst-case scenario might be a 5% cut. If that comes, that's pretty disastrous for a little university on a growth pattern.

Funding really has to keep up with growth. If we have a 5% cut, heaven forbid; but even if we have a 2.5% cut in our funding for next year, that will mean that the library acquisitions will go down to practically zero again. We have experience in this, by the way. We've had financial hard times. I know where I'm going to cut. But all the positions in the university that are growth-oriented get cut: the coordinator of fine arts, the coordinator of community, economic and social development, they all get cut; no increases in support staff, and therefore the conditions of the building start to deteriorate again, and so on. You know where you're going to make them, but it would be nice to know ahead of time for planning and especially it would be nice not to have any cuts.

As far as northern Ontario goes, I think the main issue that keeps coming back in my head, and every time I visit the ministry or have this kind of discussion it's the first question I ask, really, is, what does the government of Ontario envisage for the whole province? If you really envisage a strong GTA with most of the growth occurring in the GTA, then I guess you don't have to plan much for northern Ontario. Northern Ontario's losing industries, it's losing jobs, it's losing people and, of course, as people go it gets harder for your post-secondary education institutes to continue to be strong. If we start to falter then you've lost another economic driver in the north. I think it would help if there were a clearer government policy on the balance of development that you want between the north and the south.

Along those lines, part of the university funding is now coming in performance-based envelopes, and they're OK as long as everybody's competing on an even foot. However, if you're going to judge a lot of our performance on our employment rates—at Algoma we're pretty happy with our employment rate. Two years out after graduation, it's 92%. That's very good, considering the high unemployment in our region, but that's not as good as U of T, for instance, so we don't get very much money for this. It seems to me that's a bit backwards. If you're not happy with our graduation rate factors, you should be working with us and asking us to produce some interesting plans to improve that employment rate and then funding us to put the plans in place. Instead of cutting funding, you should almost be giving us more

funding, because we're facing more of a challenge because the jobs aren't automatically here in our region for our graduates.

Something that you have done is that, in an era when we're expanding, you're not necessarily giving us through the ministry the funds for the expansion, but you are giving us opportunities to access those funds through northern Ontario heritage. I thank you for that and I would encourage you to expand the role of those special funding sources for the north if at all possible to make them even more useful for our institutions as we seek to grow.

I guess my plea is yes, we want to grow from our current 665 FTEs to 1,000 FTEs. It is in the provincial interest to have us grow, because if we grew to 1,000 FTEs we'd have overcome a lot of our diseconomies of scale and we'd be at a size where it's really easier to run a university on the model of the other Ontario universities. We're a bit small to do that right now. I think it's to the provincial advantage to have us grow and I would just ask that you continue to give us the tools that make this growth possible: reliable, ongoing funding and an equitable chance to compete for funding and program opportunities.

**The Chair:** We have approximately two minutes per caucus and I'll start with the official opposition.

**Mr Kwinter:** I was interested in your building plans. You've received \$650,000 from SuperBuild and you have planned to raise \$5.5 million. Is that to accommodate the double cohort?

**Dr Ross:** Partly, yes. We're at the limit of our capacity right now. We've filled our current building, so we need new places to put any expansion and, of course, for the double cohort we need more space, yes.

**Mr Kwinter:** It would seem to me that the problem all institutions in Ontario are going to be facing is that there's not going to be enough room for the double cohort. As a result, institutions like yours, which may not have ever been considered by a student, people will look at because you will have the availability to do it.

My question is, what is the timing? Are you going to be able to have that accommodation in place—not only have the capital funds to build it, but the operating funds to run it?

**Dr Ross:** The timing is very tight. We have to build now to have it in operation for the following summer and we have to have adequate facilities. We could always teach these students in a high school at night. But we're arguing that we have to have good, up-to-date facilities so that this bulge won't just be a one-time bulge for northern Ontario. Once they've come here, they will spread the word that there are good things in northern Ontario and after the double cohort we will maintain ourselves at a higher enrolment level.

Not only do we want to have enough space, we want it to be really good space. Not only do we want adequate teaching, we want to have really good teaching, which is why we want to hire more professors now so that we build our reputation, so that after that double cohort blip,

we stay higher and we take our role among Ontario universities.

**The Chair:** Mr Christopherson.

**Mr Christopherson:** Thank you for the presentation. I suppose at the outset we'd want to be sure that we know whether or not there are any known political affiliations on the part of either one of you. We're usually asking that to different kinds of folks.

**Mr Hardeman:** You're getting to be a creature of habit.

**Mr Christopherson:** Yes, that's it.

What I'd like to focus on is something that I experienced in representing the downtown of Hamilton, that is, moving more and more to fundraising in the community to support education. Now, mainly I'm speaking of elementary schools and some high schools, but the principle is the same.

Because we now have the federal ridings, I have one part of my riding that could easily afford, on a community neighbourhood basis, to probably provide whatever extra money was needed certainly a lot more easily than other parts of my riding, where families are facing serious challenges and there just isn't any disposable income. If the money has to be raised in the neighbourhood and in the community, it just doesn't get raised because it's not there.

You make the point that, for those colleges and universities that have to fund growth initiatives by fundraising, you're at a disadvantage to those in the GTA for exactly the same reasons, it seems to me, that I face with my elementary schools in downtown Hamilton.

Maybe you could just expand on that a little bit and advise us whether you're getting any kind of sympathy whatsoever for your plight, because certainly from a surface point of view, that looks like a legitimate issue, that there just isn't the same sort of people and money to tap into in northern Ontario as there is through the rich GTA, relatively speaking.

**Dr Ross:** That's quite correct. If you take our SuperBuild example, which is our biggest fundraising to date, we've got \$650,000 from SuperBuild. We've matched this with \$650,000 from the private sector, which is rather difficult, but we've done it, and we've got private sector partners who will actually be located in our building and working on joint projects with us, which is really positive.

We've got \$300,000 from our foundation, which was fundraising, but that is very, very difficult to get in this community. Now we're faced with the prospects of fundraising for a hospital and it's going to be even more difficult to get the money out of the community. There simply isn't enough money here.

For the rest of it we're looking to FedNor and the northern Ontario heritage fund, and that's where I said that these funds are really critical to northern Ontario, because they do compensate a little bit for the unequal opportunities that are up here. Obviously, U of T doesn't have access to that money; we do. As long as those funds are open to funding sort of non-traditional areas for

themselves, like a post-secondary education building, then we have a fighting chance. They're our equalizer, if you want, and they're very critical for us.

**Mr Wildman:** Mr Chair, if I could add just briefly to that, beyond the capital expenditures, which are very important, particularly with the double cohort coming and with our growth, there is the operating. As Dr Ross indicated, the key performance indicators—we don't have any problem with the use of those kinds of indicators in determining funding. The problem is the way they're used. They're used on a competitive basis. While we have employment levels of 92% two years after graduation, all the universities in the province are over 90%. That's a very good rate, but instead of setting a benchmark and saying, "You have to reach a certain percentage," whether it's 90%, 92% or whatever, "and once you reach that you'll get this funding," the ministry compares us to all of the other universities and all of the universities among themselves.

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The University of Toronto employment rate two years after graduation is 97%. They are getting a higher amount because they have a higher percentage employment after two years than we have, at 92%. It would be better, we think, to set a benchmark and say, anybody that reaches that certain level—and set it high—but once you've reached it, then you'll get the funding based on your need and the availability of expenditures from the ministry, rather than comparing a small institution like ours to very large ones in southern Ontario, which need funding too, but their needs are different.

**Mr Hardeman:** Thank you very much for the presentation. I appreciate the dilemma of the inability to raise as many dollars in northern Ontario. It's the same problem we have in rural Ontario, in southern Ontario, as you do in the GTA. But I gather from your comments that the northern heritage fund hopefully will take up a great part of the difference between the SuperBuild funding and the total needs, which wouldn't be available in southern Ontario.

**Mr Wildman:** I wish Mr Spina were asking this question, because hopefully it's very emphasized.

**Mr Hardeman:** Two points I just wanted to make were, you said we should have a government policy to decide where we wanted our students to go. Incidentally, my son decided that northern Ontario was the place he wanted to go to university. But a government policy as to where they should go: I'd like a comment on how that would be done in a free and open society where students go where they want to go.

The second one was the funding for benchmarking the standards of employment upon graduation, where you're at 92% and not at 97%. Once you've decided you're at 92% and you come to the conclusion that you need to change programming at the university to make your students more employable somewhere, why does that take more money, as opposed to changing the way the program is presently being provided? Why can we not do at Algoma university exactly the same as they do at the

University of Toronto to make those students all employable throughout the province?

**Mr Wildman:** Dr Ross wants to comment, but if I could make just one comment, we're not exactly asking for more money, Ernie. What we're really saying is, there's a total envelope and the way it's distributed now is on a competitive basis. We're just saying that we would prefer it not to be on a competitive basis and just be able to say, "All right, if you reach a certain level—whatever level is determined, fine—we will then compete to reach that level, but once we've reached it, don't put us in competition with larger institutions."

**Dr Ross:** For instance, if you take our student intake, a lot more of our students at Algoma will be "first time ever in the family" university students than say down at the University of Toronto. Fifteen per cent of our students are aboriginal students, many of those coming straight from isolated northern reserves and intending to go back there. A much higher percentage of our students—we're up to something like 78%—are on OSAP. That's way higher than the University of Toronto. So you're dealing with a different student body.

You're also dealing with students who want to stay in this region—not all of them but a lot of them—and there's higher unemployment in this region. Yes, we can change our program mix, but it's not just program mix that determines employability of students.

One of the things that is very dear to our heart is, we believe that northern Ontario—well, it's not "we believe." Northern Ontarians generally are less educated. Fewer of them have university education than people from down in the south, and certainly that's true in aboriginal communities. We believe that it is part of our mandate to play a role in correcting that process, but taking the high-risk students doesn't do anything, necessarily, for our employment graduation rate. It's more complex; in fact, it's a very complex issue.

If we want to address employment in First Nations communities—that's why I was arguing maybe you could invest a little bit of money into some of our initiatives, because it's such a huge problem. I hope we can play a role in this, but if you penalize us financially because of the type of student we're naturally serving by our geographic location, it makes it even more difficult for us.

Government policy—I was not really saying a policy but sort of a thought process running through government. If you want to encourage population growth in centres away from the GTA—and I know you do because you came up here a little while ago to consult on brown land reclamation and so on around Toronto because you're using up all your agricultural land. If you want to encourage things up here, why are you opening the Ontario Institute of Technology in Durham? That's southern Ontario. That's Oshawa.

*Interjections.*

**Mr Hardeman:** I'm with you.

**The Chair:** For the sake of time, we've got to bring it to an end.

**Dr Ross:** Yes. For instance, the medical school initiative at Laurentian and Lakehead, that's a great initiative for pulling students to the north. The OIT is fine down in Durham, but if we come up with an idea like that up in the north that might be a real opportunity for students from the south to come up here, you want that because you want young people coming into the region, to be the future entrepreneurs of the region, the future developers of the region. You don't want to necessarily only build where the population growth is happening, and the SuperBuild largely did that. It largely built where universities already had waiting lists. Maybe a slightly different way of looking at it would be, the universities that didn't have waiting lists, if you built programs at those universities, such as medicine at Laurentian and Lakehead, that really attracts students and is necessary province-wide, then you put some of that growth in the north and then that growth will spill over into economic development that will be a little bit better distributed.

**Mr Wildman:** If I could just conclude, Mr Chair, I'd just say that we would not be in favour of a program that would try to direct students to a particular region of the province. We're competing now. We are attracting more applications from outside of our region, most of them actually from the GTA, than we are from within the region. We want to serve our region, but we want to serve the whole of the province. We'll compete for students; just put us on a little more equal footing and we'll compete even better.

**The Chair:** I gave you special privileges. Good luck and thank you very much for appearing before the committee.

**Mr Wildman:** Thank you very much, Mr Chair. I appreciate it.

#### ALGOMA DISTRICT SCHOOL BOARD

**The Chair:** Our next presentation will be from the Algoma District School Board. I would ask the presenters to please come forward. Could you state your name for the record, please. On behalf of the committee, welcome.

**Mr Russell Reid:** Thank you for this opportunity to make a presentation to the standing committee on finance and economic affairs. I'm Russell Reid, chair of the Algoma District School Board. With me, on my left, I have Wanda McQueen, vice-chair, and Ray DeRosario, director of education for our board.

As chair of the board, I'm representing all 11 trustees of the Algoma District School Board, sharing issues and concerns of the board with the committee for your consideration.

The changes that have occurred and continue to occur in education in Ontario over the past five years are unprecedented. Virtually every aspect of our operations has been affected, from governance to finance, program, operations, to labour relations.

Our school board is the largest in this part of northern Ontario. We have over 15,000 students in 52 schools located in many communities that cover an area two



thirds the size of southern Ontario. It takes about nine hours of driving to cross our board's area. I had the thrill of doing two and a half of them today to be here.

Our board was created with the amalgamation of six predecessor boards in January 1998. We feel we are doing a good job for our students under very difficult circumstances, thanks to the dedicated efforts of our teachers, support staff, administration and trustees.

#### 1540

I know you have heard presentations from others in education today. I would like to share five areas of concern that our trustees have. I suspect they may reinforce some of the concerns raised before you by others.

First, like our roads, bridges, sewage systems etc, the schools in our board are of post-World War II vintage. We have an aging infrastructure across the province. All of the schools in our board are decades old. We are currently receiving under \$2 million annually to maintain these facilities. This is woefully inadequate to service the 60 facilities across our district. We are forced to apply a Band-Aid approach to keeping our facilities in operation. We are very concerned that the province recognize and address what is, and will become even more, a very serious issue. We need strategic planning now, at the provincial level, to provide the long-term capital funding needs of our school facilities.

Our board spends about \$6.5 million each year providing bus services to our students across the district. Approximately 20,000 kilometres are travelled each day by buses transporting over 9,000 students. The walking distances in our transportation policy are quite conservative. The funding we receive each year falls short by about \$600,000. We cannot continue to subsidize the service.

The Ministry of Education has been working on a new funding model for transportation for several years. Based on past experience, we are apprehensive that a new model will really meet the needs of a board such as ours.

The third concern for us centres around the population decline in northern Ontario and its relation to the education funding model. Boards across northern Ontario have been experiencing an enrolment decline for decades. The new funding model for school boards is based almost entirely upon student enrolment each year. While we see an immediate financial impact with each year's decline in enrolment, we cannot respond immediately with structural or operational changes when enrolment declines, since it occurs in small numbers across all schools in the board. We cannot cancel a bus route, close classrooms or reduce administrative staff commensurate with a drop in enrolment, yet we lose funding immediately. We believe the funding model must contain a mechanism to address the reality of planning and delivering programs and services in a climate of declining enrolment.

Special education funding is another area of particular concern to our school board. Ministry of Education statistics indicate that the need for special education services for students is higher in northern Ontario than

elsewhere in the province. Our board provides the most comprehensive special education program available to students in this part of northern Ontario. To do this, we are spending about \$1 million more each year than the funding formula provides. To receive special education funding, each board must complete a rigorous process of clinical documentation of individual student needs. Our staff are required to spend far too much time compiling and submitting documentation. This time should be spent delivering services to students in our schools. Our dilemma is that we will receive no funding unless we direct staff time to completing the paperwork demanded by the funding process. In the meantime, the demand for special services is growing, and the waiting lists are getting longer.

We must have a realistic model for funding special needs, a model that does not put the focus on paperwork over service to the students. We are confident you have heard, and will hear more, about the inadequacies of the educational funding model and the need for a more effective investment of our taxpayers' dollars.

We also recognize that there are many good things in the educational reforms of the past few years, including the new curriculum, the standardized reporting to parents and more accountability in how school boards manage their resources and deliver programs.

We all know that there are many legitimate needs competing for the dollars of the Ontario taxpayer. Education is only one need that must be met. It is in this context that we present the last issue we want to raise with the committee today.

There is a tremendous duplication of spending of precious educational dollars today in the support of four independent school boards in every community in Ontario. We have 72 school boards in Ontario today, each with an administration, business department, plant department, human resources department etc. We have communities with two school boards with schools in operation, both well below capacity, where one school could accommodate all of the students.

There is no question that many millions of dollars could be saved and redirected to the classroom by revising our governance model in Ontario. Moving to a structure with one set of school boards to administer English schools and one set of school boards to administer French schools would put more money where the needs are greatest.

We understand this is an emotional issue for many, but we firmly believe now is the time for open public discussion. Ontario and Canada have changed tremendously in the past 130 years. We are very much a multicultural nation today and will be even more so tomorrow. A Constitution can and should be changed when careful and thorough review by the people reaches such a conclusion. We believe an open dialogue with taxpayers on this issue must be initiated across Ontario to address the duplication against the growing need for more funding in every classroom.

In conclusion, we appreciate the opportunity to share our issues with you. We have identified five areas of concern to us. We hope you have the opportunity to consider our concerns and recommendations in your pre-budget consultations.

We have brought copies of the presentation that we've left with you and are prepared to address any questions you might have.

**The Chair:** Thank you very much. We have two short minutes per caucus, and I'll start with the NDP.

**Mr Martin:** Thanks for your presentation. You're right: some of what you presented certainly dovetails with what we've heard from other folks from the community today around the question of scarce resources, trying to continue to offer a service that's meaningful and helpful to people. It's interesting. When I get to Toronto and I read in the media some of the issues they're dealing with, such as closing down swimming pools, and I compare them to some of the issues we have up here, such as whether we can deliver special education to students, it paints the unique challenges we confront and speaks to the real lack of options that we have. We had a woman in front of us this morning talking about her autistic child. I know some of the work we've done out of our office in co-operation with yourselves to try to get the resources that are necessary. How many people, in your estimation, are we not really honestly meeting the needs of under the special education umbrella because of lack of resources?

**Mr Ray DeRosario:** Tony, that would be very, very difficult to quantify. I know the list is growing as we speak. I know we're not providing the kinds of services that are being demanded by the public. But in terms of quantifying, we have in excess of 1,400 kids, I think, receiving special needs of one fashion or another in a population of 15,000. I know that our superintendent of education, who has that responsibility, is always making the point that we're falling far short of what we should be doing. We have an awful lot of people who have higher expectations than what we are able to deliver at this point, so we wind up prioritizing. It's an exercise where we can't be all things to all people, so we have a system set up where we try to identify the highest needs and meet those needs first. But there is no question that we don't have anywhere near what we should have.

1550

**Mr Hardeman:** Thank you very much for your presentation. First of all, I want to say I agree with Tony. There seems to be a difference—although we knew it, and I think we're hearing it loud and clear here today—between the problems with our funding formula in Toronto and the problems in northern and rural Ontario. Until we come to rural and northern Ontario, we find that it seems the only problem they have is in downtown Toronto where the funding formula doesn't seem to work, because it doesn't provide as much funding as it used to do. We come here and we find out that the problems are at least as large, if not larger, here in northern

Ontario as they are in the rural part of southern Ontario where I'm from.

Talking about the swimming pools, in my community we've never had a swimming pool in a school and I don't expect we'll get one in the near future, so keeping it open is not the biggest issue.

One of the things I wanted to ask about is that you mentioned the geographic size of the school board and that it makes it very difficult to administer education. Yet the suggestion of having two school boards, French and English, to find savings in that, would that not make the boards just as large? Doesn't that make the problem just as great? I guess I would just like to add that maybe the suggestion is that we shouldn't have school boards. Maybe we should have schools run by parents, as they used to be when I was a child, and then we wouldn't have distances at all. The geographic area of every school would in fact be the geographic area where the children come from and the parents would be in charge of running that school. Is that an option or a suggestion worth considering?

**Mr Reid:** I guess to that I can use my hometown of Wawa as the example. Sir James Dunn Public School is at about 50% capacity. St Joseph school is at about the same capacity. It's a much smaller school. Why could we not be putting all of those students in the one school building and—I don't know—sell off the other one?

**The Chair:** I have to go to the official opposition.

**Mr Brown:** Welcome, Russell. It isn't so long ago I saw you in Wawa. And I should know Ray. I apologize; I did sneak into a couple of your schools without letting you know.

**Mr DeRosario:** Mike, you told me you'd call me.

**Mr Brown:** I thought we had.

I think one of the interesting things is that although your school board is one of the largest, or the largest, in northern Ontario, your school board is about 60% of my constituency. So I'm just trying to make you feel better about that.

I think the governance issue is an issue. In my travels, I was in schools in Dubreuilville and I found—well, I knew—it was an isolate board. There's an isolate board in Hornepayne. When you're in Chapleau, you see some of the divisions that were created out of the last reorganization of school boards that had been healed—and I think Russell could tell you the same about Wawa—or if you'd spoken to the people in Blind River and Elliot Lake, all of which are in this constituency. Some of the accommodations that have been made at the local level are now falling apart and some of the old language and religious wars are now coming back to the fore, which I don't think is particularly helpful.

As you all know, I represent the more rural schools, the smaller schools. Hornepayne is particularly interesting in that you have a high school with 90 students, I believe.

**Mr DeRosario:** I think it's 83 right now, operating out of a mall downtown, by the way.

**Mr Brown:** In downtown Hornepayne.

**Mr Reid:** With a swimming pool.

**Mr DeRosario:** It doesn't belong to the school board, though. The swimming pool belongs to the town of Hornepayne.

**Mr Brown:** My point is, how has this stretched the resources of a school board that is, I'm told in my travels, providing more professional development to the teachers and instructors but is obviously putting much strain on the overall ability of the board to respond?

**Mr DeRosario:** It certainly is. We're in the fortunate position of having had some reserves coming into amalgamation. That's what has let us get as far as we have, but obviously those reserves aren't going to last forever. We're one of the boards, I think, that will run out in the foreseeable future. We've been spending from the piggy bank to keep things going. We've been investing in information technology to a higher degree, with a video conference network and that kind of thing, to try to cut down on the amount of travel and at the same time provide as equitable an opportunity as we can for some of the people who are in the smaller communities. There's no question that those kinds of things are very difficult to do and it's getting more difficult as time goes on.

If I can redirect, Mike, we're not suggesting one school board for all of the English schools; we're suggesting several different English school boards for all of the schools. But we have a real difficulty, when we're all coming to you and crying poor, with the amount of duplication that doesn't have to be there. It doesn't make sense.

**The Chair:** Thank you very much on behalf of the committee. We've run out of time.

#### BOB DENHAM

**The Chair:** Our next presentation is from Robert Denham. I would ask Mr Denham to please come forward. For the record, I'll ask you to state your name, and you have 15 minutes for your presentation.

**Mr Bob Denham:** My name is Bob Denham. To begin, welcome to Sault Ste Marie. Bonjour et bienvenue. That pretty well exhausts my French, but I thought as a citizen of this city, it might be appropriate to do that.

This afternoon, I'm here to address two particular issues to you: one you heard earlier, the Ontarians with Disabilities Act, and the current governing policies regarding home care.

Let me give you a bit of my background as we begin. Originally my plan was that I would have my wife, Pat, who is in a wheelchair, here with me. She's a victim of Lou Gehrig's disease. This I did not plan on. The snowplough came by and filled in our driveway and we couldn't get it emptied. I had a choice: do I give her a shower and dress her or do the driveway? We decided that she would sit at home, cross her fingers and I'd go on for both of us.

Both Pat and I are retired teachers who are long-time residents of the Soo. I found it interesting today when I dropped in this morning that there were three names on our agenda: Mr Greco, Mr Denham and Mr McGuire. You may ask what we all have in common. Well, all three of us went to the same grade 8 class together, and I'm sure right now there's some old nun who is really thankful that she gave us those lessons on public speaking that we didn't want to go through. I've already promised Mr McGuire that I'd be brief—about six minutes—and then relinquish my chair to him if he needed it.

First of all, I'm here not representing any particular group or organization; I'm just representing my wife and myself. We're exercising our democratic right to speak to our elected members and to suggest ways our government can do more to help the people it represents.

We appreciate the bipartisan makeup of this committee and we would like—both of us, if she were here—to tell you that we've voted for all three of your parties—generally not at the same time, so I don't know what good that does.

*Interjection.*

**Mr Denham:** That's the one from Chicago. That's where I was born. Don't send me nobody that nobody sent me.

Our discussion today will focus more on the anecdotal elements of these two issues than on the statistical evidence you've been buried under, I'm sure. In short, we're just two ordinary people. In particular, we're here to talk about how our money is being used by our government.

To begin with, the amended version of Bill 125, the Ontarians with Disabilities Act, which this committee amended on December 11 of last year: I've read the act more than once and I've read the amendments more than once—really exciting stuff. No piece of legislation, realistically, will be applauded by everyone. I'm sure other individuals will suggest changes to the act as it impacts on handicapped folks.

Let me begin by saying we thank you for getting this act passed. Now please make sure that there's funding in place to implement it. This issue has languished long enough in Queen's Park.

**1600**

We thank you for having this meeting in a barrier-free setting. We ask that you listen to how a disability can impact on someone's life, as it has on my wife's and mine.

Until Pat was stricken with ALS, Lou Gehrig's disease, eight years ago, I was like most healthy people. I was sympathetic to disabled people's needs, but I was benignly ignorant. When an individual is diagnosed with a terminal neuromuscular illness, you and your family are faced with a series of crushing realities. One, you are going to die. It will be slow and horrible beyond comprehension. Two, in the meantime, you must deal with trying to maintain some semblance of a normal life with dignity in a world that was not designed with you in mind.

At this point, I was going to ask Pat to speak. We have her speech, so as a former English teacher, I'll just jump into her thought process, if I could.

The winter before the onset of her disease, Pat worked full-time, helped raise two kids and skied. That March break, we played golf in Myrtle Beach. From the time of the appearance of her first symptom in June, it took over a year to diagnose the ALS at University of Western Ontario hospital, because there was a lack of access to an MRI. Anecdotally, at the same time, Kelly Gruber was injured playing for the Blue Jays, and he got an MRI. I understand how that works. I don't like that, and neither did she. We were praying that she had a tumour on her spine. We were praying that she had MS. Eight years later, if she were here, you could see she's still alive.

For the past six years, she has been in a wheelchair. Accessibility to many places is difficult. I'm bothered by it more than she is. Many churches, restaurants, museums and public transit services are not handicapped-friendly.

The unregulated hotels and motels in Ontario each have a different view of what handicapped means. Make a reservation. I went into one this summer in Georgetown. I said, "My name is Denham. I have a reservation for a handicapped room." The man said to me, "That depends on your definition of handicapped." Right then, the whistle went off, and I thought, "Oh, boy, now what?" His definition of handicapped certainly wasn't our definition of handicapped, because there was no regulation forcing him to make it that way.

Sadly enough, even our civic centre is not handicapped-accessible. I challenge you, before you leave, to walk into the civic centre, close your eyes, and try to use the elevator. There are no Braille numbers. I challenge you to get in a wheelchair and try to get up the ramp; you can't do it. I challenge you to get in there after five o'clock and use the elevator when the door on the outside is locked. That's our city.

We renovated our home without any government aid. We took the garage and turned it into a master bedroom. To fund this type of project, we cashed in RRSPs and received no tax breaks for our efforts. We could afford to do it. It's the old story of the well-off teachers. But now we don't have money available for other things.

We're more fortunate than the lady who lives down the line from here. At the onset of her illness, she was allowed one hour a week for health care, for a caregiver to come into her home. She shares it with her husband. He has post-polio syndrome and can't do housework. She had to decide whether she would use the hour to be bathed or to change her bedding. Their finances are limited, and they barely make ends meet. Thankfully, they've been allowed four hours a week of health care, but for the previous eight months, they were in a constant state of stress. I know, because they called us. I'm sure they called Tony. I can tell you from experience that four hours a week of help is not enough. We currently have seven hours. I'm fairly healthy, and we have family and friends to help, and it's still difficult. I know Pat's

condition will get worse. I know this lady's condition will get worse.

This is where she would stop talking and I would say this: this isn't my vision of Ontario. I hope—I agree that much can be done to free up hospital space by allowing patients to live out their lives at home when they're faced with serious illness. Our plan is for Pat to live out her remaining days in our home. The alternative is to say to her, "Let's buy a new house for you to die in." It's either renovate or move.

No one in this room should think that this can't happen to him or her. God forbid that it might, but if it does, ask yourself this: "Will I be allowed to live my life out in dignity and security?" Isn't that the vision of Ontario that we all share?

You're going to help to decide where budget money will be allotted. As you make your decision, my hope is that you'll remember my story about this wonderful lady in her red wheelchair and others like her.

I'm going to finish with an Irish toast. I was going to say it's an old Irish toast, but I don't suppose there are any new Irish toasts, are there, Tony?

"Here's to those who love us, and to those who don't love us may the Lord turn their hearts. But if he cannot turn their hearts, may he turn their ankles so we'll know them by their limping." I hope that when we meet again next, you will not be limping. Thank you all.

**The Acting Chair:** Thank you very much. That concludes the presentation, and it was very much from the heart. We have consumed about 14 and a half minutes of the 15 minutes; it's pretty hard to divide the time left in three.

**Mr Denham:** I'd be happy to give it to Gerry, but he doesn't need the time.

**The Acting Chair:** We thank you very much for your heartfelt presentation.

#### SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

**The Acting Chair:** The next presenter is from Sault College. Thank you very much for taking the time to come and speak to the committee today. We would ask if you would, for Hansard, identify yourselves before you start. You have 20 minutes to make your presentation. Any of the time that you do not require for your presentation we'll divide equally between the three caucuses for any comments or questions they have as they relate to the presentation. With that, thank you again and welcome.

**Mr Gerry McGuire:** My name is Gerry McGuire, and I'm president of Sault College. With me is Rick McGee, who is the director of communications and public relations with the college, among other things. The chair of our board, Mr Vince Sguigua, was going to be here tonight, but he unfortunately had a death in his wife's family and had to leave yesterday for the funeral, so he's not able to attend. Other members of our board are meeting this afternoon to look at the selection of a

new president, so I'm it. But I do speak on behalf of the board in everything I'm going to say, having their support.

I brought a pizza for you, because I realize you've been going all day long. I was going to take some time to cut it up. It's one size of a pizza. I thought there were five members on the committee, but there are a lot more, and I didn't realize there were going to be so many people in the audience. But before I leave I'll try to cut this so that each of you gets a small sliver, both members of the committee and members in the audience. The pizza pie, and the cutting of that pie, is an analogy that deals with college funding in Ontario. Essentially, you have one pie and you divide it out to whoever comes to the feast of learning.

In Ontario in the early 1990s, there was about \$700 million for about 90,000 students who came to the feast of learning in the colleges. Today, there's about \$640 million and there's 150,000 people at the feast. We've run out of pizza to cut. In a competitive, enrolment-based system, we have several problems; I want to address those. I'm going to highlight some of the things you have here, because of the time factor, and make a couple of closing comments that aren't here. I hope you take the time to read the presentation material that's with you and maybe study it as we look to the future of Ontario.

At this time of the year at Sault College we're struggling with the challenge of preparing a new budget. Colleges across the north and in small communities as well as large communities in Ontario are doing the same thing. Our task cannot be compared with the complexities of the provincial government. But in terms of the issues that you're looking at, there are some common threads related to the colleges. Our budget preparations include very difficult tasks and the task of making choices. I wish you well in your deliberations and I hope that some of the input we give you will provide some other considerations for you as you look at this province's budget.

#### 1610

A little bit of background: for 32 years I have enjoyed the privilege of working in public education in Ontario in the adult education sector. I have been a teacher for several years, I have been a manager, I've been a vice-president and, ultimately, for the last 11 years, I have been president of a small northern college. During my career, I have seen and experienced a lot of change.

Because my retirement is imminent, I don't have a financial stake in terms of the future of Sault College or really of Ontario's community college system. Nor do I need to worry about the state of post-secondary education in Ontario from a selfish point of view, because both of my children are through that system and are pursuing careers, albeit in Toronto. I don't have a worry about post-secondary education that way.

I do have a very strong personal interest, though, in what lies ahead for Sault College and other colleges in Ontario's smaller communities. While I cease to be a president, I will continue to be an Ontarian and, proudly, one who resides in the north. As a private citizen, I will

continue to hope that the future will be much brighter for my community and for other northern communities.

At the same time that we share common concerns with other smaller colleges located elsewhere in the province, I want to put it bluntly from Sault College's side: we are facing an uphill battle for survival. If you study the financial statements of most northern colleges and other medium-sized colleges in the south, you will find that every one of them is facing a real financial crisis at the same time we face the largest influx into the post-secondary education system in Ontario that our history has seen.

Colleges are instruments of government social and fiscal policies. At the end of the day, the government controls the purse strings, and in that way you control the colleges or the universities. Recent governments have asked us to operate more efficiently, and those governments go right back into the late 1980s under Premier Peterson, through Premier Rae and now with Premier Harris. During the past decade, we have gained efficiencies.

Per student post-secondary grants decreased in Ontario from more than \$5,700 in 1990-91 to what would today be the equivalent of \$2,300. During this period, enrolment increased by 15%. During this period, the dollars dropped by 15%, enrolment increased by 35,000 students, and tuition levels increased by more than 220%.

No one can credibly claim that colleges have not become masters of efficiency. We would put the efficiency factors that we've measured ourselves against against any private sector or other public sector in Ontario or in the rest of the country. Indeed, the Investing in Students Task Force that studied post-secondary education across all of North America identified that we were the most efficiently run college system in North America and that no further savings could be obtained from an individual college institution because everything had been cut that could be cut. Our client funding, the student funding that we receive today, is 8% lower than it was in 1998.

I'm leaving with you the comparative data that elaborates on the information I have provided you. It gives you comparisons of colleges to universities to health sector funding.

It would be very wrong to assume that the efficiencies we have gained have not come without major losses in service to Ontarians. I'll use Sault College to make the point.

Cuts in federal and provincial funding forced us to close Sault College campuses in Elliot Lake and in Wawa. In the process, services that those campuses formerly provided to those and the populations in the outlying communities were discontinued. Ontarians in many area communities no longer have on-site access to post-secondary, adult training and continuing education programs and courses once available to them.

Business and industry in many of these locations have lost direct access to the employee training programs they require to ensure their operations remain competitive.

At the end of the day, it matters little to people and their communities whether the federal or provincial governments are responsible for the loss of opportunities and services. It is almost inconceivable to me that Ontario is the only province in this country of Canada that does not have a labour and training agreement with the federal government—the only province in Canada. Campuses that once were vibrant contributors and centres of community life now lie closed, vacant and unused. Because of the new accounting policies that are in place in Ontario, we can't even give those campuses away to community groups because it affects our bottom line and drives us further into deficit.

An analysis of post-secondary education funding across North America produced the following results. Among 60 states and provinces, Ontario ranked 59th in terms of per capita spending for public colleges and universities. Put that into a totally Canadian context, and Ontario stands ninth among the provinces in grant funding for full-time equivalent in the post-secondary system: universities and colleges. When the operating grant full-time equivalent and tuition revenues—those tuition revenues that have gone up 220%—are combined, the province of Ontario drops to dead last per student funding in post-secondary education.

Everyone knows that a highly educated workforce is vital to the economic well-being of Ontario and Canada. The quality of life we all want for our children and grandchildren depends on maintaining our position in the world. But how can we expect to do so when Ontario is investing less in the future than virtually every other province and state on this continent? What price will our province and economy pay two years or five years from now? We've seen the challenges in the crisis in health care, we know the challenge that's facing us in skilled trades, and yet our investment in the development of those critical components of our future is decreasing.

We've got two real problems in funding and those problems really relate to the issues that I've addressed in terms of the amount of dollars that are provided across the whole province for funding. There simply needs to be an increase in investment for post-secondary education. That's the first thing. You can't have a world-class education system unless at some point you begin to reinvest in it, and you can't be world class in the economy without the skills we need.

The other issue that's critical, and it goes back to what the school boards were saying: we need a different funding distribution mechanism, the way we distribute money, to service areas of Ontario that are not the same or are not populated at the same densities as those areas in southern Ontario. It just doesn't work.

We continue to operate with a totally antiquated and inadequate funding formula. It is particularly damaging to smaller colleges. Without getting into all the complexities of the distribution model, I want to emphasize that it simply doesn't work. Under the formula, the bigger colleges grow stronger and wealthier and the smaller colleges grow closer to closure. It's a slow death. Small

colleges and smaller centres simply cannot effectively operate under the same funding formula used for colleges in large, southern metropolitan areas.

Given our sparse northern populations, we cannot achieve the economies of scale available to the colleges in the large urban areas or to the universities. Yet we must maintain a critical mass of programs and services to be viable.

We cannot compete on an even playing field when it comes to growth. There's a crisis in northern Ontario. We have a population, as a percentage of Ontario, that is back to the percentage it was just around the turn of the century. In 2000-01, we're back to where we were as a percentage of the population in Ontario.

#### 1620

The existing competitive funding formula provides no recognition of the diversity of our institutions and the regions in which we are located. The one-size-fits-all funding formula for Ontario colleges really doesn't fit at all.

There are other issues that I believe warrant serious consideration and I've tried to identify those in here. I won't read them because of the time factors.

I want to just focus for a minute on one other component. Colleges across Ontario, but particularly in the outlying smaller centres of Ontario, have a tremendous economic impact on our communities and the regions we serve. Colleges are not just access points; they're economic engines, they are knowledge-based industries in communities where we say to survive in the future we need to create knowledge-based industries. In the documents that I've provided you, you will find an economic impact statement of Sault College on Sault Ste Marie. You will find that it has an over-\$80-million impact, from a \$32-million budget. That budget, back in 1993, was \$43.5 million. You will find that we are at the forefront of every new economic initiative that is looked at for our community, whether it's in the development of call centres, the development of telecommunication industries and support services or the development of new industry that needs higher skills or historic manufacturing skills. We're there and we've been able to provide a level of service and education for people in the community. That opportunity is diminishing each year—and it's not just in Sault Ste Marie; it's in every institution across the north, every community college across the north.

I think it's easy to come and say, "This is what we're facing and these are all of the issues we have." I have included three recommendations at the end of the paper.

The first recommendation, which comes from everybody you talk to—I recognize that—is that we need more money and that, as a province, we need to invest more money into the post-secondary education side. I'm suggesting a measure, if it's acceptable to Ontario, that we at least fund post-secondary education to the national average of the 10 provinces.

The other recommendation I'm making is that we change the funding distribution formula for Ontario col-

leges so that economy-of-scale differences are recognized to allow smaller institutions to maintain quality and access. In the document you have a comparison of the grants per FTE from each of the provinces. One of the suggestions that comes back to us is, Ontario's grant per student is much lower because we're a much more highly populated province. If we're going to say that, then we should recognize those parts of the province that don't carry that heavy a population and do some other comparators than the benchmarks that we presently use.

The third component is to provide transitional funding for smaller colleges to maintain baseline programming and services and to sustain northern colleges through a period of economic and demographic restructuring in the regions. Fundamentally, you need to understand the analogy of the pizza: there are no more pizzas ordered, and the more people who come to the dinner, the smaller the piece of pizza becomes, and finally you get to the point where you don't have enough to sustain yourself. That, folks, I believe—I don't believe it; I know it—is happening to the small colleges in Ontario. We have to find a different way to do it.

I thank you very, very much for the opportunity to make this presentation.

**The Chair:** Thank you very much. We have two minutes per caucus. I'll start with Mr Spina.

**Mr Spina:** Thank you, Gerry. I'm not sure which sister you and Bob Denham went to, but I don't remember seeing you at St Mary's in the early 1960s. Also, if you go back in the history of the records of your school, you'll find that I was the vice-president of the student council the opening year. That was my first political—and probably my last. Right, Tony?

Gerry, you make a good point with the pizza analogy. We're seeking direction; that's why we do this. You're saying there isn't more pizza. The question I'm asking is, understanding that you've got a limited-size box, is there a way to make the pizza bigger? Or is there a way that the funding has to be changed? You really didn't give us any direction in how that could be changed, or at least considered to be changed, and I think we'd appreciate that.

**Mr McGuire:** I think there are two things. There's a way to make the pizza bigger and that is to create different synergies and relationships between colleges and universities in Ontario, and we're trying to do that. But there is an option. It's an option that some people support very strongly and others don't support.

The other issue is one where you have to balance whether you're going to maintain quality or not, and I'll give you the example. The Ministry of Training, Colleges and Universities can come to us and say, "Colleges in the north are not growing at the same rate as colleges in the south." In fact, if you study the enrolment patterns in the north, you'll see cycles where we go up and down in terms of our enrolment growth. If we recognize that, then maybe we should set a figure that says, "In the district of Algoma, for post-secondary basic program and service, we will fund 2,000 students at Sault College, and we will

fund them at this rate." People in the community may say it should be more than that or it should be less than that. But the difficulty is that unless you decide to set some base line—2,000 students with a base funding level—we will never be able to achieve growth rates in the north equivalent to growth rates in the south, and ultimately your services, whether it's special needs, your health centre or your technology in the classroom, keep cutting back.

One of the suggestions that has been made is to designate. During a period of transition in northern Ontario and other small communities, the government will fund these community colleges for this number of students, under a funding rate that you can run the operation on.

**Mr Spina:** And capital.

**Mr McGuire:** And capital, but give a funding line. Right now, the colleges in the north are going after more and more students in the south. How many millions of dollars are being spent marketing colleges because of this insidious, competitive, enrolment-driven mechanism we have? We spend far more money now funding a marketing program to try to attract students so we can survive, because if we cut our operation and said, "We're going to stay at 2,000 students," we'd still go bankrupt.

**Mr Spina:** But aren't you competing with Algoma?

**The Chair:** Mr Spina, I must go to the official opposition because we've run out of time.

**Mr Brown:** Thank you, Mr McGuire. You're saying, "Show me the money," I guess.

I think it would be interesting if the members could understand what our competing jurisdiction has done. When you're in Sault Ste Marie, you just have to look across a river to understand how Michigan has been dealing with what is essentially the same problem we have. Maybe you could help us with that.

**Mr McGuire:** We have directly across the river from us Lake Superior State University, which has a university and a community college charter. A few years ago it had about 3,300 full-time post-secondary students. It's down to about 2,800 post-secondary students. We had at Sault College about 2,700; we're down to 2,200. We have 500 or 600 apprentices and so on.

Governor Anglin, in capital investments in that small university across the river, in five years invested \$60 million in capital, in new technologies and labs and in brand new buildings to attract students to that part of the upper peninsula, which requires an economic infusion.

If you look at Sault, Michigan, if you look at Marquette, Michigan, if you look at Houghten, Michigan, you will find thriving post-secondary institutions that are bringing students from outside the region and creating a knowledge economy in their communities. For each student, there are 2.5 full-time jobs created in the community, outside of the institution. Sixty million dollars. In Ontario during that same period of time, if you took out the construction of Boréal and you took out the construction of Niagara college and you said how much money was spent in refurbishing Ontario colleges over

that same five-year period, you wouldn't reach \$60 million that was spent on one small university.

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**The Chair:** Thank you very much. The third party.

**Mr Martin:** I just have a quick question and then Mr Christopherson has a quick question. I just wanted to take you back, Gerry, because I think others should understand. We worked together in the mid-1970s at Sault College and we were all over the North Shore. We had campuses in Wawa and Elliot Lake and subcampuses in White River, Hornepayne and Blind River. We often referred to ourselves as missionaries because we were all over the place, spreading the word about education and re-education. We were offering courses in people's basements. It was exciting and the contribution that was made to those communities was immeasurable. What would it take to get us back to that?

**Mr McGuire:** I read the other day that there's an investment from the federal government of \$124 million in one particular initiative. I believe we could get back to part of that environment with an investment of approximately \$10 million in the six northern Ontario colleges. Ten million dollars is a very insignificant amount of money that would allow us to start to move back in and create the environment you're talking about. It's an investment; you cannot get a better return on your investment, because we're going to have to educate people and give them opportunities for training. We're either going to have to do it one way or we're going to have to support people in another way.

I'd like to, if I could, Mr Chair, just mention one thing. Sault College and Algoma University College have the best articulation agreements of any that have been promoted in Ontario between colleges and universities. We have the best agreements and we have a role for both institutions in the community. We have two different mandates with two different focuses, and in some areas we are crossing over where we can find savings. The difficulty is that when you have two institutions that are on the verge of bankruptcy, it's really difficult to invest in the future.

**The Chair:** With that, we've run out of time. On behalf of the committee, gentlemen, thank you very much for your presentation this afternoon.

#### SAULT AREA HOSPITALS

**The Chair:** Our next presentation is from the Sault Area Hospitals. I'll ask the presenter to come forward, and if you could please state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

**Mr Ron Gagnon:** Mr Chair and members of the committee, my name is Ron Gagnon. I'm the vice-president of corporate services for the Sault Area Hospitals. I'm here today to provide you with input from our hospitals which hopefully will prove useful in your deliberations. On behalf of the boards and the staff of the

hospitals, I wish to welcome you to Sault Ste Marie and I thank you for this opportunity.

Just a little bit of background on the Sault Area Hospitals: the Sault Area Hospitals is a partnership between the Plummer Memorial Hospital and the Sault Ste Marie General Hospital. The main physical facilities consist of the Plummer and General hospital sites, which are essentially separated by a parking lot about five minutes from here, and also the Thessalon site in Thessalon, Ontario, and the Matthews site on St Joseph Island, those two being about 20- and 40-minute drives from Sault Ste Marie.

Through the co-operative work of the boards, our medical professionals and administrative staff of the hospitals, we've been able to eliminate the duplication of programs and administrative and support services. I think it's of particular note that we did that before the HSRC was established. Many today might say that was to our detriment.

We operate a total of 317 beds. Currently, we also operate 49 interim nursing home beds. We serve as a district referral hospital for Algoma. Our total catchment population consists of approximately 120,000 residents distributed over a 50,000-square-kilometre radius. Our closest Canadian hospital to which we can refer patients is in Sudbury, Ontario, a three-hour drive down a two-lane highway.

I note for the committee that many of the comments I will share with you today were also shared with the Minister of Finance when he visited Sault Ste Marie in December last year. Also, based on my discussions with colleagues from other hospitals and contacts at the Ontario Hospital Association, I'm sure a number of topics I'll raise today you will have heard or are going to hear in other submissions. I believe this is a clear indication of both the commonality and the severity of the issues being discussed.

Today I'll try to touch on four areas, the first being the need to provide adequate and predictable hospital funding; second, the need to finance capital and information technology requirements of the health care sector; third, the need to address and finance health system issues; and fourth, I'll touch briefly on some of the potential impacts of inaction.

To begin with, the need to provide adequate and predictable hospital funding: the Ontario Hospital Association has documented, through audited projections, that hospitals require \$300 million in the current year just to maintain the current level of hospital services, and that a minimum of between 7% to 8% increases are required in 2002-03 just to maintain the current level of service.

Our local situation is somewhat bleaker than these projections. In our case, we will require funding increases of 5% this year, or \$4 million, and upwards of 13% next year. Again, that is just to maintain our current level of services. Based on discussions with colleagues from other northern hospitals, our 13% next year falls right in line with what is being requested by other hospitals in the north.



Ontario's population continues to age and to grow. The cost impact of these factors alone is predicted to be at least 2% per year for the next three years. Although our population in Sault Ste Marie is not anticipated to grow, our research demonstrates that the people served by our hospitals are considerably older, have lower incomes and are less well educated. We have a higher aboriginal population, and our patients are sicker than provincial averages. These factors are all proven to have an impact on hospital service utilization and in turn the cost of operations. Although the new hospital funding formula proposed by the joint policy and planning committee does take some of these factors into account, it does not, as the previous speaker was saying, sufficiently recognize the realities of northern Ontario.

In addition to an aging population, we, like other hospitals, are facing cost pressures from a number of issues, and I'll highlight just a couple of them.

**Employment contract settlements:** given the shortage of trained health care workers, nurses as an example, this is not a surprising phenomenon. At the Sault Area Hospitals, these costs will increase by at least 3.5% per year over the next three years. Given that salary costs are over 70% of our total budget, this will have a substantial impact on our operations. A compounding factor is that our local cost increases typically are higher than the provincial averages, due to the age and experience of our workforce. I hold out the most recent Ontario Nurses' Association agreement, where the average cost increase across the province will be 10.8%. At our hospitals it'll be 13.8%, and that's due solely to the experience of our nurses.

**Drugs and supply costs:** the costs of drugs and medical supplies continue to rise at a rate much greater than general inflation, and they have averaged approximately 12% a year since 1997-98.

**Utility cost increases in the double digits:** we, like many other organizations, are incurring significant utility cost increases, and it is expected that with the electrical market deregulation in May 2002, this already troubling situation will get worse.

**Payments to physicians:** more and more hospitals are using global dollars to pay physicians to ensure that the appropriate medical coverage is provided to a community. I will address this in a little more detail later on in my presentation.

A further cost pressure faced by all hospitals is that of funding for priority programs. These are programs the government has established as a key priority to the residents of Ontario and for which there are specific dollars made available. I hold as a case in point here our end-stage renal dialysis program. This program was established in 1996-97. The cost per case at that time was \$199.50. Today, 2001-02, the cost per case is \$199.50. Just taking CPI as an indicator of inflation, that's costing us half a million dollars a year in the current year.

My final point here is the point of predictable funding. In order for hospitals to make strategic decisions for the longer term, there needs to be predictable funding. Hos-

pitals need to know what their funding is and what it will be for the predictable future—I hold out the next three years—and they need to know that before they begin the period for which they are being funded rather than receiving annual funding allocations well into the fiscal year, when it's too late to make any substantive or longer-term changes.

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As a case in point, we're still not certain of what our funding will be for this fiscal year, a fiscal year which will end about one month from today. The current approach to the funding of an \$8-billion industry is destructive and does not lead to creative solutions for the longer term. Rather, it leads to a very corrosive debate between hospitals and the government and it leads to short-term balancing actions that have longer-term negative impacts. I would submit that the current severe shortage of health care professionals in Ontario is in part a result of the current funding system.

I also believe that the Minister of Health has heard and understood this message, and I was encouraged to hear him say to the members of the Ontario Hospital Association in November 2001 that balanced budget legislation would not apply to hospitals until multi-year funding was in place.

If Ontario wants creative approaches with a longer-term benefit, then hospitals need to be given rolling three-year funding envelopes with which to work. Through this approach, the health care system will be able to begin to put in place those strategies which will ensure a viable and effective health care system for today and for tomorrow.

The Sault Area Hospitals recommends that operational funding for hospitals be increased by at least 8% on a provincial basis, just to meet the current service levels; that operational funding take into account the impacts of inflation and an aging and growing population; that hospitals be provided with a rolling three-year funding envelope; that hospitals receive their funding prior to the beginning of the period being funded; and that the unique issues of operating in northern Ontario be factored into a new fair and transparent hospital funding formula.

The second category I'd like to cover is the need to finance capital and information technology requirements. It's been documented that the capital needs of Ontario hospitals exceed \$7 billion over the next five years. Even with the most optimistic fundraising assumptions it's estimated that the capital funding gap is still between \$2.4 billion and \$5.4 billion. This, combined with the current Ministry of Health capital budget for hospitals of \$200 million, leads to a very significant funding gap.

Investing in capital—ie, facilities, medical equipment and information technology—has not been adequately addressed in the way hospitals have been funded to date, both in terms of the amount of funding and the way funding has been provided.

In coping with several years of funding reductions, hospitals have postponed needed investments in these areas so that the limited available dollars could be used at

the bedside. In addition, hospital restructuring costs have not been fully funded, which again has eroded the amount of funds available for other capital investments and indeed day-to-day operations.

Our local situation is similar to that of many hospitals across the province. In December 2001, the minister announced the government's support for a new hospital on a new site. This was based on the evidence provided by our hospital that this option would provide the most positive patient care and financial benefits. The estimated cost of this hospital is over \$180 million, and under the current funding model it is estimated that the community's share would have to be in excess of \$50 million. Given the current economic environment in the community, it's not realistic to expect that this community, through tax levies or fundraising, will be able to raise its entire share of capital costs without the hospital being able to use the benefits from operational savings to finance the debt required to fund that gap. Even our current projections cause us some concern regarding community support for future medical equipment needs, given the large draw on the community for our new hospital.

I came to the hospital industry in April 2001 and I have been struck by the lack of investment in information technology in this industry. Although new technology is one of the driving forces of change and improved patient care, the government does not provide up-front funding for the acquisition of information technology to hospitals. As a result, hospitals have not had the needed funds to make the required IT investments.

We have estimated that our IT costs over the next five years will be about \$20 million. Given the current demands on our budgets, the current service levels and our current funding, our reality is that we cannot afford even a fraction of this amount, which will result in a less efficient and less effective health care system for our community.

Reliable and current medical equipment is key to quality patient care. However, as a result of the funding constraints and operational cost pressures, investments in this equipment have been limited over the past number of years. The result is a fairly significant gap between our medical equipment requirements and the amount of funds we have for this equipment.

Without the required capital, medical equipment and information technology investments being made, the effectiveness and efficiency of the health care system in Ontario will continue to erode. Here again we have three recommendations: that the current capital funding model be revised to lower the amount of community investment required to a maximum of 10% from the current 30%; that there be a substantial increase in the amount of capital budgeted for hospitals in order to get on with the substantial physical redevelopment work that's required across the province; that specific funds be made available to support the medical equipment and information technology needs of hospitals and that this funding be made available in rolling three-year funding envelopes.

As part of its our revised operating plan for 2001-02 and as part of our business plan for the upcoming year, we've identified for the ministry system issues totalling over \$11 million. These are issues which are largely beyond the control of our board of directors but have a direct impact on our operating costs. The key issues are as follows.

The lack of the appropriate number of nursing home beds in our community: without the right number of nursing home beds, people no longer requiring hospital care but still requiring nursing home care continue to reside in a hospital. Without the right number of beds, we just can't move them anywhere. We can't send them home; the risks of doing that are too high. The result is the congestion of hospital beds, excessive hospital occupancy, which at times exceeds 95%, patients being admitted to the emergency department, the use of overflow beds and a constant moving of patients. The result is higher risks, higher costs and less than optimal patient care. We acknowledge the efforts being made by government to add nursing home beds to the system; however, in the interim hospitals are forced to absorb the costs associated with the lack of these beds. As a case in point, it will cost us \$2 million this year, just for that one issue.

The extra costs of having to operate two antiquated physical plants: this is our local situation. The studies we've conducted have concluded that it's costing us \$7 million a year more than it would cost us in a new facility. The reason that is important is that our funding has also been reduced to reflect HSRC recommendations.

The lack of appropriate funding for our oncology program: this is a program which has grown by leaps and bounds in this community over the last five years. However, the funding to support this program has not grown at the same rate. Recognizing the importance of the oncology program to our community, the ministry has approved a regional cancer centre when our new hospital is built. We have also entered into a joint venture agreement with Cancer Care Ontario and the group health association for the development and operation of an interim cancer centre until the new hospital is built. Based on the work we completed as part of that initiative, we've identified a shortfall in funding of \$1.3 million in the current year.

I spoke about the lack of the appropriate number of health care professionals a little bit earlier. This is a provincial issue which has been well documented and, as I mentioned earlier, is due in part to the way hospitals and the health care system have been funded in the past—more of a short-term rather than a long-term focus. Today, in Sault Ste Marie we have estimated that we are approximately 19 physicians short of what a community this size requires. This number includes a range of specialties and five family physicians. You will have read about our emergency crisis, where if not for the understanding and commitment of the physicians, we would not have had coverage in our emergency department beginning February 1 of this year. This is still a real pos-

sibility if the situation is not addressed in short order. However, we are making positive strides there.

As a result of the physician shortage and the lack of appropriate action from the government—which we would submit is responsible for ensuring the appropriate supply of physicians to communities—hospitals and indeed municipalities have been forced to tap into their operating funds to pay physicians in order to offer incentives to attract them to our community and to ensure appropriate medical coverage.

This year we will receive half a million dollars from the ministry for physician-related issues. Our latest estimates are that it will cost us nearly double that to deal with the impact of not having a sufficient supply of physicians in the community. We cannot afford to continue using our global funds for these types of items. However, lacking a provincial strategy to address the shortage of health care resources, hospitals will be left with little choice.

Given the time, I think I'll just move right to the recommendations. Our recommendations here are:

That the government ensure that the appropriate number of nursing home beds are available in the system and that until such time as these beds are in place, hospitals receive funding to compensate them for the added costs of having nursing-home-type patients in hospital;

That the government provide one-time funding equal to the added costs of operating existing facilities until new and/or renovated facilities are in place;

That an appropriate cap on operating funding be put in place for oncology programs across the province;

That sufficient funding be allocated to resolving the issue of the shortage of medical professionals across the province;

That appropriate steps, including the legal or policy prohibition of hospitals using operating funds for these purposes, be taken by government to address this critical issue in both the short term and the long term; and

That an innovation fund for health care be established in an amount sufficient to support research and implementation of innovative approaches to health care.

In the paper that you have, you will also note some of the impacts of inaction, and I will try to highlight just a couple of them: hospitals will be forced to incur larger deficits and debt; there will be a significant erosion in the working funds position of hospitals; and hospitals will be forced to cut services.

In our case, our board has taken the position that we have driven the efficiencies out of our system and we are not in a position to cut services, nor will we cut services without an operational review. However, just to highlight what the impacts would be of balancing our budget next year, it would mean reducing 20%, or 60 beds, out of our operation. It would mean a reduction of about 20% of our workforce. It would mean cutting our outpatient services by two thirds. I would submit to you that in all cases these would not be true savings. The costs would simply go somewhere else in the system: to Sudbury, London, Toronto. The patients still require the care. The other impact would be that there would be an inadequate capacity in the system to deal with the health care needs of the province.

I think I'm over time.

**The Chair:** No, you can finish. Go ahead. I'll give you a couple more minutes.

**Mr Gagnon:** The conclusion is that the sustainability of health care is a key concern for residents of Ontario. The system is experiencing unprecedented financial and service pressures that, without a substantial commitment from government vis-à-vis operating costs, capital needs and system issues, will lead to a significant deterioration of the Ontario health care system. I urge you to take quick, positive action to ensure a sustainable and effective health care system for the residents of Ontario.

**The Chair:** Thank you very much for your presentation this afternoon. We've used the time and a little bit more, but we did receive a call that the next presenters won't be able to make it. They were involved in an accident. There were no personal injuries, but they won't be able to make their presentation this afternoon.

That will conclude the hearings in Sault Ste Marie today.

**Mr Martin:** I want to just thank everybody for coming and taking the time to hear from our community and people from Algoma. I personally, because I won't be with you, wish you well in your further travels.

**The Chair:** Thank you very much. It's always a pleasure to visit other communities outside Toronto, I must admit. I'm sure the committee does enjoy it.

This committee is recessed until 10 o'clock tomorrow morning in Windsor.

*The committee adjourned at 1654.*







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