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Wednesday 12 February 2003

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des débats
(Hansard)**

Mercredi 12 février 2003

**Standing committee on
public accounts**

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Provincial Auditor:
Ministry of Training
Colleges and Universities

**Comité permanent des
comptes publics**

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Ministère de la Formation et
des Collèges et Universités

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMITÉ PERMANENT DES COMPTES PUBLICS

Wednesday 12 February 2003

Mercredi 12 février 2003

The committee met at 1003 in room 151, following a closed session.

2002 ANNUAL REPORT, PROVINCIAL AUDITOR MINISTRY OF TRAINING, COLLEGES AND UNIVERSITIES

Consideration of section 3.11, training division.

The Vice-Chair (Mr Bruce Crozier): Good morning. The standing committee on public accounts is prepared this morning to review the 2002 annual report of the Provincial Auditor, section 3.11, with respect to the training division, Ministry of Training, Colleges and Universities. I ask that anyone who speaks on the record during this session please identify themselves by name—perhaps name, rank and serial number. Welcome.

As you may be aware, the ministry has up to 20 minutes in which to address the committee, and then we will go in rotation for questions and comments, beginning with the government caucus. It's been suggested to me that 20 minutes is too long and sometimes 10 minutes is too short, so just for variety, why don't we try 15-minute rotations this morning.

Hon Doug Galt (Minister without Portfolio): Sounds good.

The Vice-Chair: All right.

You're free to go ahead with your comments.

Mr Kevin Costante: My name is Kevin Costante. I'm Deputy Minister of Training, Colleges and Universities. I have with me this morning Bill Forward, who is the assistant deputy minister of the training division, and as well, to assist us, Patti Redmond, who is the director of the workplace preparation branch, and Sandie Birkhead-Kirk, who is the director of the workplace support services branch.

Thank you for giving us this opportunity this morning to update you on the ministry's response to the Provincial Auditor's report on the training division.

The auditor made 12 recommendations. We think these recommendations were very constructive. We're supportive of the recommendations, and we're making efforts to implement them. I hope to tell you what we're doing in order to address those recommendations. I want to start off, however, by giving a little bit of context about the training division and its programs and services, and then I'll move directly into how we're responding.

First of all, the vision of the training division is to ensure that Ontario has the quality and quantity of skilled labour supply to support our economic growth and competitiveness. The division's goal is to assist individuals and employers to increase skill levels and to help individuals make the transition from unemployment to employment and from education and training to the labour force.

The division serves approximately 715,000 individuals and 84,000 employers through our programs and services. Last year the budget for the division was just under \$350 million.

The programs provided by the training division include apprenticeship training and related services, helping internationally trained individuals seeking to enter and practise in a regulated occupation in Ontario, and preparing unemployed Ontarians to re-enter the workforce, with a particular focus on young people. We also provide literacy, numeracy and basic skills upgrading, again to help people enter the workforce. We provide assistance to workers who are facing business closure. We also provide policy, planning and research and evaluation support on labour market training and labour-market-related matters. As well, we work with TVOntario on distance education and training issues.

Many of our services are provided through transfer payment partners. Community colleges, school boards and community-based not-for-profit organizations, through transfer payment arrangements, deliver Job Connect, our summer job services program and our literacy and basic skills program. Our apprenticeship training is primarily done by the employers themselves, with the in-school component of apprenticeship done by our community colleges and a number of private training institutions, a large number of those being labour organizations.

We're facing some challenges in training and the labour market. Our labour force growth has been quite rapid, but it is beginning to slow. We anticipate that we could see emerging skills shortages in areas such as automotive parts, manufacturing, construction and health care occupations. As well, with the aging of the baby boomers, we're seeing a lot of skilled workers about to retire, and they'll need to be replaced. Rapidly changing technology in the workplace is also requiring a significant amount of retraining and upgrading by workers

who already have credentials. So a lot of our programs are aimed at those particular challenges.

Ontario has another challenge that some of the other provinces don't have, in that we are the only province or territory in Canada without a labour market development agreement with the federal government. Therefore, we have difficulties coordinating with our federal counterparts.

In terms of the programs themselves, I'll just give you a brief overview of them. Again, the apprenticeship program provides in-school and on-the-job training in a number of trades. The ministry works actively with industry and workers in terms of developing the curriculum and the training needs and developing new trades. We deliver this program through the 26 field offices. There's a great degree of involvement by employers and employees in apprenticeship.

We have taken a number of initiatives to improve the production of skilled workers in Ontario, particularly through apprenticeship, and we have a goal of doubling the number of registrants in our apprenticeship program. We have done such things as introduce a new program to revitalize college training equipment and facilities for apprentices. We have new journeyperson updating programs. We also have some programs to help more young people get into apprenticeship, such as the Ontario youth apprenticeship program and a pre-apprenticeship program. I'd like to particularly mention the Ontario youth apprenticeship program. This year, 71 school boards are participating and over 12,000 students will enter the program, which gives them a good start in apprenticeship if they want to go on after high school. As well, we have the apprenticeship enhancement fund, which is \$50 million over five years, to renew facilities and equipment in our community colleges.

1010

In the past three years, 16 new skilled occupations have been designated, for a total of 136 skilled trades in Ontario, in four main areas: automotive, industrial/manufacturing, services and construction. Forty-one of these are known as red seal trades, which means that once you achieve that designation, you can practise across Canada. At present we have about 55,000 apprentices and 24,000 employers involved in the program, as well as 50 training delivery agencies involved.

Another key program that we have is to help internationally trained professionals. We have a number of bridging programs to help foreign-trained professionals get into the program, in such areas as nursing, biotechnology, health care workers, teachers and skilled workers.

We've just recently launched three new projects in this area, one with the Ontario Society of Professional Engineers, to give internationally trained engineers the support and work experience they need to get a Canadian licence. As well, we've worked with the Canadian Manufacturers and Exporters to develop a guide for employers on how skilled immigrants can help meet their business needs. Lastly, we've been working with a group of

regulatory bodies to prepare tools and materials for other regulators, to encourage them to develop initiatives in this area. We also have occupation fact sheets that are available to people interested in coming to Ontario as to what the requirements are for their regulated trade, and we make those widely available.

The third program I'd like to mention is the Job Connect program. It's our program to help primarily young people get into the labour market. It gives them information about the local labour market and helps them with job search and resumé and interview skills. It also helps them get directly into jobs, and we think it's quite successful. We have a target of about 127,000 clients assisted through this program, with an annual budget of nearly \$100 million. We are estimating that about 80% of our clients who receive a service through this program go on to obtain employment or move into further education and training.

The fourth program I'd like to mention is the summer jobs service, which again is to help young people find constructive summer jobs. Our budget this year is about \$53 million and it assists about 60,000 youth to get summer jobs.

The literacy and basic skills program is a program that we fund through colleges, boards of education and community agencies to help people improve their literacy and basic skills training. The program is offered to adults age 19 and over who have been out of school and need some assistance. We have about 10,000 people who assist through volunteerism to help us deliver this program. Through the program we've also developed something called AlphaRoute, which is a Web-based learning tool to help people update their literacy skills on-line. It also has the facility to help francophones, native and deaf learners as well, so it's quite an exciting piece. Our forecast is that about 200,000 people were assisted through the literacy and basic skills program. It has a budget of about \$60 million.

That's just a brief overview of the programs. I'll talk very briefly and give you an update about the specific recommendations that the auditor made.

The first recommendation was regarding measuring and reporting on program effectiveness for the Job Connect and summer jobs services programs. The recommendation is for the ministry to help ensure that our continuous improvement performance management system operates as intended to monitor and improve the overall performance of the delivery agencies of those programs.

To date, we have introduced site visit procedures, and I've updated and documented them. They are currently being piloted so that the deliverers know how to use the system. We also have a number of planned actions. The ministry will implement a systematic data verification and compliance process with our transfer payment agencies. The initial pilot testing of the process has begun and we hope full implementation will be accomplished by April 2004. As well, system-wide verification of customer satisfaction and employment outcome data and

analysis of the data collection processes across the province will be undertaken. We're hoping to have that completed by March 2004.

The second recommendation concerned monitoring compliance with program guidelines for Job Connect and the summer jobs service program. The recommendation is for the ministry to help ensure that delivery agencies for Job Connect and the summer jobs service program comply with ministry guidelines and that the performance information on which funding is based is reliable. What we are planning to do is to implement systemic data verification and a guidelines compliance process that I mentioned under the first point. That will also address the monitoring and compliance with program guidelines. We're hoping to have that completed by April 2004.

The third recommendation was regarding measuring apprenticeship program effectiveness. The recommendation is for the ministry to ensure that the information and performance management system that we are developing will allow it to begin reporting publicly on achievements with respect to apprenticeship completion and employment rates, as well as the extent to which apprenticeship programs meet the expectation of employers and apprentices. To date, work has been completed on the customer survey. It will be conducted in 2003-04 and we will use that first survey for benchmarking purposes. As well, we have planned and the ministry has already started on the development of a continuous improvement performance management system for apprenticeship. Once that's completed we will be reporting on its achievements, as recommended. We're hoping to have that completed by June 2004.

The fourth recommendation is regarding updating apprenticeship standards. This is to help ensure that apprenticeship graduates acquire the skills they need to meet employer needs by ensuring that all our training standards and examinations are up to date and reflect current demands in the workplace. The ministry will be updating our exams in 2003. The exams are being replaced, starting with the oldest versions first. The oldest version was replaced in January of this year and is ready for consideration and approval by the provincial advisory committee that assists us with that. As well, we plan to continue the replacement process throughout 2003 and be fully completed by April 2004. Two exams and one training standard are currently under development and will be available for provincial advisory committee approval in the first quarter of 2003-04, and four additional exams and an additional training standard will be available for the advisory committee's approval in the third quarter of 2003-04.

The fifth recommendation is regarding monitoring apprenticeship program quality and compliance. That recommendation is for the ministry to better ensure the quality of apprenticeship training and compliance with training requirements by monitoring the performance of employers and in-class training providers. The ministry is addressing this recommendation through our new apprenticeship information system called the apprenticeship

support application. It is currently in development and will provide a portfolio management design that will assist with the identification of trainers with performance problems. The interim internal audit of that system has been completed and we've received positive feedback on that. The implementation of the system is scheduled for the second quarter of fiscal year 2003-04. Initial discussions with the Ministry of Labour indicate that the risk management framework for on-site visits which is being developed by the Inspections, Investigations and Enforcement Secretariat will also help us with that system, and I'll come back to that particular issue.

The sixth recommendation regarded the enforcement of legislation on restricted trades. It was recommended that the ministry act to reduce the extent of uncertified individuals working in restricted trades. The ministry has begun the process of developing an enforcement and information-sharing protocol with the Ministry of Labour, which does the on-site inspections. The ministry's field management staff have developed a framework for the new information-sharing protocol. We held the first meeting in the first week of February, further meetings are going to take place, and we hope to complete the process next month.

1020

The ministry is also developing processes to use the new information system to help focus our enforcement efforts on particular industries, trades and workplaces where there is a risk that's been identified. We hope to have that completed by the third quarter of 2003-04. As well, we will have controlled access to the new information system through the provision of a role that will provide real-time responses to enforcement-related queries. The screens for that access are now being developed. On a last point, we have also started discussions with the Ministry of Consumer and Business Services and the Electrical Safety Authority to determine the extent of involvement with journeypersons and contractors. We may be working with them to help in the enforcement activities.

The seventh recommendation had to do with effectively assessing prior learning and academic readiness of apprentices. This was a recommendation for the ministry to better ensure that our learning assessment tools for the apprenticeship program, both the assessment of prior learning and academic readiness, are being used effectively. To date, we have established targets for that. All existing trades with an in-school component will have standardized ministry-approved exemption tests by the end of 2003-04. Twenty-two tests have been developed and will be validated in the fourth quarter of 2002-03. Exemption tests require periodic updating, and therefore this will be an ongoing activity of our apprenticeship area.

Other planned actions: we have an interim policy on exemption tests that has been communicated, and a full communications strategy will be developed in the second quarter of 2003-04. We hope to have full implementation

at the ministry field offices and at our training delivery agents in the fourth quarter of 2003-04.

The eighth recommendation was regarding management of program funding for the in-school training of apprenticeships. The recommendation is for the ministry to ensure that funding levels for in-school apprenticeship training is appropriate. On August 1, 2002, we did introduce a new funding model that included the introduction of classroom fees for apprentices. Final evaluation of those classroom fees will be done in 2003-04 and, as part of that ongoing evaluation, we will also undertake a review of our in-school training and delivery funding model. So we'll look at the whole piece, not just the classroom fees.

The ministry is also developing a continuous improvement performance management system for our apprenticeship system, as I said. Part of the system is a key performance indicator. For example, information will be provided that will allow us to evaluate the pass-fail results by trade, class, level of schooling and by funded training delivery agent in order to establish a benchmark for our key performance. We hope to have that system completed by June 1, 2004.

Recommendation number 9 had to do with the tracking and reporting of participants' outcomes in the literacy and basic skills program. The recommendation was for the ministry to strengthen accountability and provide a sound basis for making informed funding decisions about that program. The ministry has taken steps to ensure that all agencies are consistently conducting and reporting on follow-ups. Guidelines have been developed and are posted on the Web site they use. We will also be dealing with the issue of lost contacts and having them included in the calculation. With the implementation of our information management system, the ministry can now generate a report that tracks the length of time clients remain in the program, which will help inform us in the development of performance measures.

The 10th recommendation had to do with linking funding to performance in the literacy and basic skills program. The recommendation was for the ministry to help ensure that funding to the delivery agencies for literacy and basic skills is appropriate and equitable based on the level and quality of services provided. The ministry has begun the development of a new funding model that will hopefully accomplish that recommendation. We're hoping that we will see recommendations in the late spring of this year and include a phased-in approach that will begin in November 2003, to start up in the 2004-05 business year.

The 11th recommendation had to do with monitoring delivery agency performance. The recommendation was for the ministry to effectively and efficiently ensure that our field consultants and delivery agents for literacy and basic skills were meeting the expectations. The ministry has begun to formalize a risk-assessment component used during our agency visits. The ministry will complete its tracking system to ensure that the timing of all agency visits complies with the risk-assessment approach and

take corrective action as required. The rating assessments will begin in April of this year and we hope to have that completed by March 2005.

The last recommendation had to do with the acquisition and management of consulting and other services. The recommendation was for the ministry to ensure that full value for money is achieved in acquiring information technology and consulting. The recommendation was also to recover any funding provided to transfer payment agencies that related to GST that we're not required to pay. The ministry has strengthened its procedures in this area for managing all existing systems and consulting contracts. The ministry fully tendered our new apprenticeship IT system that we started in 2001. The companies were selected through an RFP process and we had this verified by an internal audit. Prudent controls and processes were incorporated into the acquisition of information technology services for 2002-03. We also have begun a process for strengthening further procedures through a ministry-wide risk assessment project so that we can identify and mitigate our risks during procurement.

On the issue of GST rebates, the ministry has adjusted the contracts in 2002-03 to reflect that, and we've also asked those who were overpaid in the past—we've started the recovery process for those GST rebates.

Future systems development for RFPs will be issued through MERX, which is the public sector electronic tendering service, or through an invitational bid of companies on the vendors-of-record list. As well, we've made it a priority within the ministry that all managers get training in procurement, and there will be mandatory training taking place for all managers in the ministry in the next month or so.

The Vice-Chair: Excuse me. Are you nearing the end of your opening remarks?

Mr Costante: Yes, I am. I am done. Thank you very much, Chair.

The Vice-Chair: Thank you. As I suggested, we'll go in 15-minute segments. We'll begin with the government caucus.

Mr Garfield Dunlop (Simcoe North): Thank you very much for being here this morning. I guess first of all, you appear to be addressing most of the recommendations made by the auditor. I'm assuming that as we look toward the next auditor's report you feel that most of those recommendations will be addressed. When will that next report be out, Mr Auditor?

Mr Erik Peters: In two years. We do a follow-up in about two years' time.

Mr Dunlop: OK. So you've got a couple of years to implement those recommendations.

Mr Costante: I can assure you we took the recommendations very seriously and we hope we'll get a clean report card in two years.

1030

Mr Dunlop: Your timing was perfect when you came to the end of your comments and the Chair asked how long you'd be.

I'm very interested in the training portion of the Ministry of Training, Colleges and Universities because of my background. I spent a lot of time in that area and actually I'm a part owner in a business. We have apprentices from trade schools right now. If I can ask some questions around that—do you mind?—just around training etc and the programs.

Something came up last year, when I was parliamentary assistant to the Minister of Education and we did some consulting on technical and vocational things. The numbers I was provided with indicated that there would probably be a shortage in 10 or 12 years of around 700 vocational technical teachers in the education system. In fact, last year your ministry was excellent in working with Queen's University. We actually doubled the number of teachers who went to Queen's who were working on a letter of permission and were halfway through receiving their certification for teaching. Can we expect that your ministry will work with universities to make sure we have ample numbers of qualified technical teachers in our secondary school system in the next five to 10 to 12 years?

Mr Costante: Yes. If I can address that, we have identified, in our teacher training area, that there are a number of areas where we need teachers in the elementary and secondary school systems. Technical teachers is one area; we are having some problem with French language teachers as well, and math teachers.

In terms of technical teachers, as well as increasing the number of teachers who would come out of the Queen's program, the government has established a new university in Durham. They are also looking at setting up a school of education. One of the priorities they would have in that school, because of their relationship with Durham College, which does a lot of apprenticeship training, would be to address the issue of providing more technical teachers coming out of that school. So this is one more measure we're trying to take to address that skill shortage you mentioned.

Mr Dunlop: I'm very pleased to hear that, because that was one of my questions: how many other faculties could actually provide that service to the province so we will make sure that there will be enough technical teachers in our secondary and elementary school systems as we look toward the future? I think it's a strong feeling among citizens and residents of the province that there seems to be a shortage of skilled tradespeople in all areas. As the economy booms, I hear more and more of my constituents say they're having trouble getting a certain trade for a certain job they want to do. I know sometimes it even drives up the price of contracts when there's a shortage of people. I think we all would agree that we have to work toward making sure there's an adequate supply of skilled tradespeople in all these different areas as we look toward growing the province.

One other area I wanted to deal with—I think there are another couple of questions here—is that there seems to be some confusion around who delivers what when it comes to training in different areas. I'm thinking of com-

munities that might have a training college or university apprenticeship program. I think there are 26 in the province.

Mr Costante: There are 24.

Mr Dunlop: There are 24 in the province. I'm thinking of how they fit in to training boards and Skills Canada. Are we getting a lot of overlap there, or am I just confused on that right now? It's just that I think there could be some room for clarification or maybe working together, partnering a little bit better on that.

Mr Costante: As I mentioned in my remarks, Ontario is the only province—and territory, actually, including Nunavut; it was only set up a year or so ago—that doesn't have a training agreement with the federal government. So the mechanism of coordination between federal initiatives in the area of training and the provincial initiatives is not very strong. We do have some agreements with them. We obviously partner with them on apprenticeship, so that is good. But you still have this role confusion in Ontario that I think other provinces have been able to avoid. Frankly, it also means that we likely have some duplication of overhead and administration that wouldn't be necessary in some other provinces; they've been able to completely integrate their labour market system. So I think the problem does exist. Ontario has spent a number of years trying to negotiate a labour market development agreement, unsuccessfully, and efforts continue. Those efforts are somewhat stymied right now. The federal government is looking at a skills agenda that they announced, I believe, about a year ago, and have really put our labour market development agreement discussions on hold until that further unfolds, and that's pretty unclear right now.

Mr Dunlop: I've been told the feds just will not sign the labour market agreement; it's not going to happen.

Mr Costante: It feels that way.

Mr Dunlop: It's sad that we're left out of that arrangement when all the other jurisdictions aren't. Thank you very much.

The Vice-Chair: Mr Hastings and then Mr McDonald.

Mr John Hastings (Etobicoke North): Let me pursue the question, then. Why are we being so polite about it? What specific steps do you have in place to deal with this issue, which has been ongoing since 1995, actually?

Mr Costante: You're correct. I think we've been at it for six years now.

Mr Hastings: Why are we allowing ourselves to be so discriminated against, particularly the workers in this province—the employers?

Mr Costante: I can tell you that the minister and the ministry have communicated numerous times with our federal counterparts, asking for this. In May 2001, we indicated that we would accept all the federal terms and conditions without amendment, and we still couldn't get any process. I can also tell you that I think just about every community college in Ontario has written asking that this happen, as well as numerous employers and employer groups. It just doesn't seem to be going anywhere.

Mr Hastings: Have we considered other alternatives, such as taking them to court, since this is a pretty litigious society now?

Mr Costante: We haven't considered that one.

Mr Hastings: Why not?

Mr Costante: We could seek a legal opinion. My suspicion is that these are federal-provincial agreements, and agreements require both parties to participate. I think our lawyers would tell us we don't have much of a case.

Mr Hastings: That's not my understanding on the basis of negotiations with Quebec in 1995, when Bouchard was Premier; there was to be a complete turn-over of the old so-called manpower function to the provinces, because we almost lost the country. You're saying that the feds, despite the agreements with every other province and territory, still have their fingers in training, is that true?

Mr Costante: Correct.

Mr Hastings: So these agreements don't mean anything, really, except for getting the money.

Mr Costante: I think these agreements mean a great deal in the provinces that have them, in that they can coordinate their services, direct services to those who need them most, and reduce costs of overhead and administration. So I consider them very important. For whatever reason, Ontario has just not been able to get an agreement.

Mr Hastings: I'd like to have another round on this.

The Vice-Chair: In this round you've got five minutes.

Mr Hastings: Five minutes more?

The Vice-Chair: Yes.

Mr Hastings: How much money do the feds owe us, supposedly, since they would say they don't?

Mr Costante: The total value of the agreement is approximately \$600 million.

Mr Hastings: What did they offer us before they decided to close down so-called negotiations?

Mr Costante: It was about \$600 million.

Mr Hastings: There weren't really any negotiations to start with. It was, "Here it is. If you don't want it, don't take it." Right?

Mr Costante: They made an offer—

Mr Hastings: You yourself described the conditions and the requirements when they offered us so-called monies in 2001. It was, "OK, we'll accept it." That's negotiations?

Mr Costante: The issues prior to 2001 had to do with Ontario wanting its fair share of the total federal pot for training and employment. The \$600 million, in our view, was less than our fair share.

Mr Hastings: What would our fair share be?

Mr Costante: About another \$145 million.

Mr Hastings: So about \$745 million?

Mr Costante: Correct.

Mr Hastings: Based on what we pay into UI and our population?

Mr Costante: Based on our percentage of unemployed people in the country.

Mr Hastings: How does that compare with Quebec?

1040

Mr Costante: Sorry, I don't know the Quebec comparison. I think that would be about 32%, if I'm not mistaken, of the total federal budget, which is Ontario's share of the unemployed in Canada. We weren't asking for our share by population; we were asking for our share by number of unemployed.

Quebec has a higher unemployment rate than Ontario, although a much smaller population. We could find that out for you.

Mr Hastings: Could you table with this committee the monies that all the provinces and territories have gotten, what the agreement was, if there was one signed, and particularly Quebec? I'd love to see a letter regarding the legal opinion that the feds still have control over this function, when it was my understanding that they were to move from the field into so-called new federalism. So my understanding is incorrect?

Mr Costante: My understanding is that they essentially put on the table an offer to negotiate subject to an agreement, and they are not legally bound until they have that agreement. Given that no agreement was ever able to be structured, there's no legal obligation on them. That is my understanding, and I'll endeavour to get whatever legal opinion we got to support that.

Mr Hastings: OK. Thank you very much.

Mr AL McDonald (Nipissing): How much time do we have, Chair?

The Vice-Chair: Two minutes, in this round.

Mr McDonald: I need about 10 minutes. I understand there's going to be another round, so we're happy to pass.

The Vice-Chair: As I say, we go on as long as you have questions, so sure. Any others there? We move, then, to the Liberal caucus.

Mr Richard Patten (Ottawa Centre): Yes, just to pursue this line as well. I have a bit of a different perspective on this, quite frankly. It's not by accident that Ontario is the only jurisdiction that hasn't arrived at an agreement. "Everybody else is out of step," from what I hear, and it has been very difficult to arrive at that, especially if you look at the representation from Ontario in the federal government. People were anxious to arrive at an arrangement. My understanding is that Ontario refused to submit their objectives to the program.

I would ask if you would provide the documentation or any correspondence that shows that the federal government just all of a sudden cut off negotiations, or whatever happened at that particular juncture. My understanding was that the province did not fulfill its obligations in providing the objectives under which the particular program was cited. If you're saying to me or implying today that Ontario said, "We comply 100% with all requirements," and somehow that just ended, I personally will challenge that. There's something else going on here. Now, what really happened? Were you part of this, Mr Costante?

Mr Costante: I started in the ministry in August 2000, so I wasn't part of the early part. My understanding is that the initial disagreements between the federal government and the government of Ontario had to do with fair share and also the transfer of employees. That the federal government wanted, and required I think, as part of their collective bargaining process that we accept the federal employees with a three-year job guarantee. That was very difficult in the timing, given that we were looking at staff reductions of our own at that point.

In 2001, the ministry communicated with the federal government that we were willing to accept the agreement as is, at the amount of money, and accept the staff with the agreement, which was our understanding of the barrier to an agreement, and to date there has been very little or no response.

Mr Patten: Is that in correspondence?

Mr Costante: I believe it is, yes.

Mr Patten: Would you table that with the committee, please?

Mr Costante: Subject to any FOI conditions, I'd be happy to.

Mr Patten: Yes. The committee is not subject to the FOI conditions, by the way. It's a standing committee, and we have broader ranges, is my understanding.

The Vice-Chair: Yes, Mr Patten, if the committee requests it, that's the case, and a formal request would normally be with a motion. But anyway, he's taken on that he will provide it. If there are any obstacles then, we could deal with them.

Mr Patten: OK, fine. I'm going to stop there and let my colleague Mr Curling proceed.

Mr Alvin Curling (Scarborough-Rouge River): Deputy, I listened to you very carefully, and somehow in your response here to the recommendations put forward by the Provincial Auditor, you seem to agree with all those recommendations, saying, yes, you're going to act upon those recommendations. Would I be wrong to say there is a great inadequacy of performance by the ministry of skills development in carrying out its mandate? There are so many things that were lacking, and it seemed to be hurried. It seems to me the program that was put in place was hurried and, in trying to accomplish the ministry's goals, many things were short-cut and some things were not put in place properly, hence we have these problems. Would that be so? Was it late in coming forward?

Mr Costante: I don't know that I would necessarily agree with you, Mr Curling. I think what has developed in terms of programs in the last five to 10 years has been increased attention being paid on outcomes, performance measurement, making sure that transfer payment agencies were doing what they're supposed to be doing, making sure you monitor that. I think the ministry has been working toward all of that.

We had taken measures to implement a continuous improvement system; we hadn't got all the way. In some areas we made progress and in some areas we were still lacking, and I think the auditor rightly identified those

areas. But I think we're actually a little bit ahead of the curve in many of these areas in terms of performance monitoring and management. This ministry was one of the first ministries to have key performance indicators. So I think we are getting there. Was it 100%? No. Do we have work to do? Yes. And we undertook to do that work.

Mr Curling: Well, I have not been around too long—maybe too long for some people—but the fact is that I've always heard consistently from the Provincial Auditor that he wanted value for money, so it's according to that guideline that things were put in place.

With the short time I have, let me just narrow down on the area of foreign-trained professionals. You are saying that we recognize there are shortages there, but it seems to me that in some of the areas you're identifying—you mentioned health care, teachers, engineers, nutritionists and all that—somehow there is a tremendous number of individuals outside there. As I said, we have terrible taxi drivers because we have professionals driving taxis who are not taxi drivers. What is causing this problem of that transition, having those people trained and accessing their profession? I have my own ideas, but I want to hear from the ministry, what is preventing you from getting to that?

Mr Costante: This may not be doing it adequate justice, but I would say there are three issues.

I don't think we're investing enough in language training.

Mr Curling: Language training, ESL.

Mr Costante: Many employers make that remark, and I think many individuals have trouble meeting the requirements of their employers.

Second, I think a lot of immigrants come to this province from overseas with a lack of information. I think we could do a better job—when I say “we,” I mean both the province and the federal government—in terms of providing information, particularly in this age of the Internet, to foreign-trained professionals in their home country before they get here so they know what the requirements and expectations are.

Third, I think there were barriers put up, rightly or wrongly, in terms of Canadian work experience, passing certain tests. There needed to be a support system put in place for immigrants to help them address those issues. The approach we've taken is to develop a number of bridging programs. For example, one that has been around for a couple of years is called CARE for Nurses, I believe. It's a combination of the College of Nurses, St Michael's Hospital and the Yee Hong Centre. We get everybody involved in it. They have nurses who have foreign credentials whom they put in the program. They assist them with language training, and they get them a work term in the hospital or at the Yee Hong Centre. It gives them Canadian work experience and exposes them to employers. Those particular employers need service; it gives them an immediate contact. We found that these bridging programs were in early days yet, but we think they are a good answer to trying to address this.

1050

We also have to work with raising the awareness of a lot of the regulators. A lot of these professions have colleges, and I think we are making progress with them. I think the census information and the public attention on this issue is starting to have those regulators actively participate with us to break down those barriers. Their concern always is quality. They want to make sure the nurses are qualified. We don't want to have unqualified nurses, nor do we want to exclude people who have the skills we absolutely need. I think some good progress is being made. Again, I think we could always do more in those three areas. Further investments wouldn't hurt.

Mr Curling: What about the ministry's evaluation process, of people having their credentials evaluated? There's an inconsistency. While the ministry may evaluate it, the gatekeepers, the self-regulators, are saying that's not good enough. I'm sorry to use the term "gatekeepers"; somehow that gate seems to be rigidly closed, or there's a strong negotiation that has to go on before those people access their trade.

Mr Costante: What we have done is try to set up a very high-quality credential assessment service, called the World Education Service, which offers this service; they do charge a fee for it. People can access it when they're still in their home country, for example, or here. We think it gives them a very credible assessment, which hopefully employers and educational institutions will recognize when they look at a diploma from another country that they may not be familiar with. Those have been our efforts there. They have done a lot of work getting themselves known within the immigrant community, with employers and with the regulators, so that their assessments have credibility. That's not to say an individual employer may not reject it; it's hard to control an individual employer. But we think we're taking the right steps to try to break down that false discrimination, if you will.

Mr Curling: I've spoken to them, and they're doing a good job, I would say.

Wouldn't you consider that the ministry is also impeding some of that kind of progress, in the sense that the \$400 that is charged for apprentices who are going through school is another barrier or obstacle to getting—many of them who are paying are asked in the middle of their course to come up with another \$400. I think you mentioned that in your presentation.

Mr Costante: Yes.

Mr Curling: Here are people who are trying to get into the workforce. Here the ministry has identified that there's a shortage of skilled labour. Here you're saying that they want an ESL program. Here are people who have already gone through ESL and are accessing their programs through community colleges, and then find the government has slapped another \$400 fee on them. What was the motivation behind the ministry—I'm sorry; you're not a politician, you're a bureaucrat. What was the motivation they told you to put forward and draft this

wonderful piece of policy so these people could pay \$400 more in fees?

Mr Costante: I guess there are three points: seven other provinces have fees; secondly, fees do generate more money, and we wanted that reinvested; and thirdly, I believe the \$400 fee in the apprenticeship system is equivalent to about 12% or 15% of the cost, which is quite low, considering the tuition fee percentages we have in our colleges or universities. We didn't think it was too much to ask that somebody who is employed pay a minimal part toward their in-school training. Also, we found that without their paying a fee and having some personal stake, we were getting poor attendance in our in-school training. They would sign up and then not show up, and we would be sitting there with empty seats. So the fee does serve to provide some personal motivation. That was the rationale.

Mr Curling: That sounds like a wall to me, anyhow, like a barrier itself, because on one hand there's a shortage. When I look at the recruiting, if you look at the individuals who are coming to this country, many of them, their countries and themselves, have invested an enormous amount of money to educate themselves to that standard. In other words, Ontario or Canada did not expend that amount of training and money to those individuals. Upon arrival, or if they've been in this country, they would have had just a few more dollars in order to access the skilled labour shortage that we talk about, yet we put up another barrier. I'm completely confused about that in the sense that if you have a nurse, a teacher or any skilled individual coming and we have not invested in that—in other words, the brain drain on the other side is a brain gain here; then, when the brain gain comes here, we put up another wall.

I heard you explain to me that they want to invest; they want to feel a commitment. Because it will be \$400 more, I find it very, very difficult to sell that to individuals who basically do not want to be on the welfare system or don't want to be a burden on the system, but find themselves paying this fee to the government, in the middle of their course too. I think it is burdensome that some people going through their courses are then asked to give that \$400. I don't think that's responding to the shortages and the things we speak about in here. So the ministry itself doesn't work as a bridge for those individuals to enter into the workforce; it sounds like a barrier.

That's my rant, in a way. You may not want to comment on that. I wish the minister were here to hear some of my ranting.

The Vice-Chair: Thank you, Mr Curling. We'll now move on to Ms Martel.

Ms Shelley Martel (Nickel Belt): Thank you, Deputy, for appearing today. May I follow up on the issue of fees? How much has been collected by the ministry?

Mr William Forward: We implemented fees in August and we're in the process of registering students for classrooms, so we still haven't got a full appreciation of

what we're going to get. Our estimate is, on a full-year basis, about \$4 million to \$5 million in fees coming to Ontario.

Ms Martel: In a full year, on an annual basis?

Mr Forward: That would be for this fiscal year.

Ms Martel: When you say "this fiscal year," you're talking about 2003-04?

Mr Forward: No, 2002-03.

Ms Martel: OK, and then what's your anticipation for the out years, a small increase over \$4 million to \$5 million, year after year?

Mr Forward: Yes, we would imagine a small growth. We would see perhaps over \$5 million next year.

Ms Martel: Deputy, I heard you say that part of the rationale was to have these fees to reinvest, so I'm assuming you're saying to reinvest in the apprenticeship program. Has a dedicated fund been set up for the fees?

Mr Costante: No, a dedicated fund hasn't been set up, but we have got approval to reinvest the money in the training system, including apprenticeship.

Ms Martel: When you say you've got approval to reinvest, you've got approval from Management Board of Cabinet to reinvest?

Mr Costante: Yes, from government.

Ms Martel: So there is some guarantee that this money is not just going to go into the consolidated revenue fund and go somewhere else?

Mr Costante: That's correct.

Ms Martel: Let me ask, then, in terms of fees, because I think they are going to have an impact—I appreciate what Mr Curling is saying—what are you going to be doing to track enrolment, then, to determine if fees are becoming a barrier and might be having an impact on enrolment in apprenticeship programs? Have you thought about that, and what are you proposing to do?

Mr Costante: We do track enrolment, so we will have that on an annual basis, and we will be monitoring whether fees are having an impact. It is something that is somewhat hard to separate out. The economy can obviously have an impact on apprenticeship enrolments. Hopefully, our own efforts to increase the number of apprentices will have some impact on that as well. I think we'd have to see what impact it does have. Our information from other provinces that have introduced those fees before us is that there is a brief drop-off and then the numbers start going up again.

1100

Ms Martel: In terms of tracking them, I'm assuming you could do that by—I think you called them customer surveys; correct me if that's the wrong word—surveys of your apprentices asking a number of other questions and this could be tacked on. Is that what you're planning to do in terms of tracking?

Mr Costante: I don't know that we're planning that but, given your suggestion, we'll look at it.

Ms Martel: Thank you, Deputy. I'm glad I could help you this morning on that one.

Mr Costante: We could put you on staff.

Ms Martel: It is a serious issue. We obviously oppose the fee increase and that was part of the reason why, because we are concerned it would be a burden.

Let me ask you more generally about your registration in apprenticeships, because you certainly told the committee this morning that your goal is to double the number of registrants in the program. But the auditor I think was very clear in saying that if the ministry was going to meet its target for the expansion of apprenticeship training, it will need more apprenticeship programs in new occupations. I don't think I heard you, in your replies, elaborate on what it is you're going to do to increase the number of occupations outside of the traditional area. I think the auditor has been very clear that that's the only way you're going to be able to double. Can you tell us what your plans are?

Mr Costante: I may ask Bill Forward, the ADM, to speak to that. We have been making efforts and I'll let him elaborate.

Mr Forward: To double apprenticeship is an ambitious goal, I agree. We do have in place a strategy to achieve that target. One of the tactics of that strategy is to bring on line new apprenticeship training trades. We're working on a couple of large important ones right now. One is construction craft worker, which, in the past, has been a large trade in construction where you could not be an apprentice. We now have in place a training standard and will very soon be signing up lots of apprentices for construction craft worker. I think that's a really big step forward for apprenticeship.

Ms Martel: Can I ask, before you continue, what are your potential numbers there?

Mr Forward: Oh, lots. Construction craft workers are basically labourers. I've worked on construction sites. It's a very important part of any construction site and it's a large, organized area of construction. I'd have to come to you with what our forecast is for signing up apprentices in that particular trade.

Ms Martel: When do think you'll have that up and running?

Mr Forward: We've announced the trade. We've put in place the regulation. We are working on the training standard and signing up people as soon as we have in-school classroom training in place.

Ms Martel: OK.

Mr Forward: The other big success story we have is the new trade that we're working to in welding. Of course, you need to be a certified welder. There are different ways of becoming a certified welder but we're now making apprenticeship the leading way to become a welder. Again, welding is a large area of construction activity, everything from pipeline welding to structural welding to form welding. It will be very important. It's not quite as advanced as construction craft worker but we're getting there. We're in the process of identifying in-school trainers who can provide the in-school training for welding.

Ms Martel: If I return to what the auditor said, he made it clear that the ministry added 29 new appren-

ticeship trades over the past four years but they only accounted for 6% of total apprenticeship registrations. My next question would be, of the two that you've identified for me, what is that going to do to your total to take you to doubling?

Mr Forward: It's certainly going to increase the total. Apprenticeship has a number of very large areas in trades. Automotive, obviously, is very big; electrical is very big; areas of construction are very big. We have about 130 apprenticeable trades, so there are lots of little ones and a few very big ones. When you introduce new ones, it's very hard to move a very large number with a very small number. That's why signing up trades that have very large growth potential, like construction craft worker and welder, is very important to us.

When you sign up trades outside of the traditional area—for example, in services, that's something we're very interested in doing because that has a growth potential in the service sector, which of course is 70% of the economy right now. So we're looking at how we can move in those areas. We do have some ideas and we have some existing apprenticeships in the service area. I think we have to get better at looking at using the apprenticeship model in the service area, which of course is a major growth area of the economy. The higher-technology area is another area where we need to look.

So I agree: we need to do better there. We do have a strategy and we are trying to move as aggressively as possible.

Ms Martel: What is the base that you're starting from when the ministry says they're going to double the number of registrants? What is the base you're working from, and then, what is your timeline for doubling?

Mr Forward: Well, 11,000 is the base we're working from. I'm an economist, so our target is 22,000, and our timeline is the time it takes to get there.

Ms Martel: OK. I could be Mary Poppins tomorrow too, but come on. If you say that to the public, we assume there's some kind of realistic, legitimate timeline.

Mr Forward: We are between 16,000 and 17,000 now. So in the last four years we've done pretty well. We've increased 45% or 50%. We're growing pretty rapidly, so one can envisage the 22,000 target. The slight pause in the economy last year hurt our growth a little bit, but we're back on track now because the economy is back on track.

Ms Martel: I appreciate you say "one can envisage the 22,000 target." What year do you envisage that occurring in? The ministry must have a target. You're not operating in the dark here.

Mr Forward: I would say that in the next three years is our planning frame.

Mr Costante: Could I add a point?

Ms Martel: Sure.

Mr Costante: I think the other thing, as well as adding new trades, is that there has been a lot of attention paid to bringing more young people in and making apprenticeship a more positive option for young people coming out of high school. I would point to the tre-

mendous success we've had with the Ontario youth apprenticeship program. We've gone in the last few years from something like 200 high school students participating to nearly 12,000. I guess we really see that as a main effort in terms of trying to grow both the existing and the new trades.

If you talk to the people in the apprenticeship trades, they are very concerned that apprenticeship in the past perhaps had bad connotations to parents and students, and a lot of attention is trying to be paid by industry and by unions and employer groups to change that perception. Apprenticeship trades are well-paid, they're largely year-round work now, and it's not something that's dirty, dangerous and underpaid. I think those are important initiatives that we need to continue to work with our partners on.

Ms Martel: If I can move back to the international professionals for a moment, do you have dedicated spots and what would those numbers be in apprenticeship programs?

Mr Costante: I'm sorry?

Ms Martel: For internationally trained professionals, do you actually have dedicated spaces in your apprenticeship program?

Mr Forward: There are a couple of components to the program. Access to Professions and Trades is the title of our initiative. When it comes to professions, we're talking about the regulated professions, everything from nurses and teachers, and in the trades, of course, that's regulated by this division. We're actually the regulator. We give out the credentials; we design the exams and administer them. So we're putting in place the ability to better deal with tradespeople who arrive from abroad and need credentials here. Often the issue is language capability, the ability to understand the exam, the ability to pass the exam. Outside of the trades area, for example, in the area of nurses, we've implemented CARE for Nurses. The failure rate among foreign-trained nurses on the nursing exam in Ontario was 70%. For the nurses who are now going through our program the pass rate is 70%. That's the kind of success we've been able to pilot with CARE for Nurses. We're trying to replicate that in other professions and in the trades now.

Mr Costante: Just in terms of dedicated spots, with apprenticeships, the individual has to get a job first. So, as Bill says, I think we need to work on ourselves as the regulator of the trades to make sure that we don't put those same barriers in place that we're critical of, so that we can help. I think we've tried to do that by having prior learning assessment, which was one of the comments by the auditor, so that we can do those assessments of people and not have them having to repeat the whole apprenticeship. We have challenge exams, where they can just go and write the exam. If they pass, they pass, and they get their certificate.

1110

So I think we do have the tools and mechanisms to help the foreign-trained. Again, I think one of the issues is that we need to get that information to them as soon as

possible when they're thinking about coming to Ontario, and preferably when they're overseas.

Ms Martel: So that they understand what the requirements are?

Mr Costante: Yes, so they know where to go.

Ms Martel: Do you maintain databases of internationally trained professionals who are still unable to actually get into the employment they were in before they came here? Does the ministry maintain any database like that?

Mr Forward: No, we don't have a database on that. Obviously, there are stocks of existing people who are in the province, have come from overseas and are trying to work in their areas of expertise and education. Then there are the new flows coming in every year. We understand those very well. About 60% of total immigrants come to Ontario. We expect about 235,000 to arrive this year. About 70% of the adults who come to Ontario have some post-secondary education training, and many of those require academic credential assessment.

Ms Martel: Can I ask you about LTABs? Where in the division's budget do they fit in? Do they come under the training division? I assumed they would.

Mr Forward: Yes, they do. We continue to work with the local boards. They continue to work on local labour market planning and local labour market information. They work with us co-operatively in developing environmental scans and assessment of local labour market conditions, and they work with local labour market partners to try to strengthen the labour market supply in their communities.

Ms Martel: What's the budget?

Mr Forward: We spend about \$3 million a year supporting the work of the local boards, and we partner with HRDC of the federal government, which spends about the same amount of money.

Ms Martel: How many LTABs do you have now?

Mr Forward: I'd have to get back to you with the exact number. It's about 25.

The Vice-Chair: Thank you, Ms Martel. We'll move on to the government caucus.

Mr McDonald: I'd like to thank both of you for taking time out of your busy schedules to appear before the committee today to answer our questions. I just want to talk about the double cohort for a little bit. The commitment was that every willing and qualified Ontario student will continue to be able to attend college and university. Are you comfortable with that commitment?

Mr Costante: Yes. It is a big task. This is something that doesn't come around every year or every decade even, so it's a big challenge. We've been working on it for six years with our partners in colleges and universities. Part of it also falls on the training division: 50% of graduates from high school don't go on to post-secondary; they go right to the labour market. So a lot of the training division activities, increasing apprenticeship and our Job Connect program, which doesn't get a lot of attention, also serve to address the double-cohort issue.

In terms of the double cohort itself, we've undertaken a number of activities. There has been a large investment in terms of capital: \$2.2 billion. The minister announced just before Christmas that we were seeking another 13,000 spaces. The government committed additional funding for operating costs. We have indicated as well that, essentially, if they qualify for OSAP, they get it. So there should be no issues there in terms of students, if somehow they're 19th in line, not getting in. They will get in.

As well, we've introduced new scholarships. The Queen Elizabeth II Aiming for the Top scholarship will provide 35,000 students with increased student awards. Universities and colleges have increased the number of their student resident spaces by about 25%. That is something they fund on their own. So there has been a great deal of activity.

The university applications are in now. We know the size and shape of that. The college ones are largely in, although more flow in—they don't have as rigid a deadline. We still have to work out with colleges and universities the final increase in spaces.

I think it is a success story. The four-year curriculum was very successful. The students are actually graduating in four years in the university stream and the college stream, and therefore we have more students than we planned for. We don't have the solution completed yet, but we are engaged with our colleges and universities to make sure the spaces are there.

Mr McDonald: I know a lot has been made in the media about the double cohort, and now we're hearing the Stats Canada report coming out where we're having—I'm looking at headlines that say, "Grey Alarm" and "Health Care Hardest Hit by Aging Workforce." The double cohort is probably great news for Ontario, because now we're going to train our young people quicker than in the past and enable them to go into the workforce to fill the gaps in our aging workforce. I see it as almost a positive that this is happening at this point in time. Do you see that as well?

Mr Costante: Very much so. Many of these students coming out of the post-secondary stream will graduate in the next three to seven years, if some of them go on to masters' and PhDs. They will hit the workforce exactly when the baby boomers, such as myself, hit that retirement age and may be looking at different things. I think it is very positive for Ontario's workforce, and there's a long-term benefit in that you do have a higher percentage of people eligible to be in the workforce. All other provinces have stopped high school at grade 12; Ontario was the lone remaining one with grade 13. It means we do have a bigger pool in the workforce, so I think it's good for our economy away into the future and not only three, four and five years from now.

Mr McDonald: Being from the north, obviously I'm concerned about the north. When I talked to Dave Marshall, the president of Nipissing University, he was telling me that his applications for enrolment for next year are up 200%. To me it's great news that not only are

students in northern Ontario going to stay in the north and go to school there, but he's also drawing students from southern Ontario. That bodes very well for our university and all northern universities. We're of the thought that if individuals go to school in the north or train in the north, the opportunities for us to retain them in the north are that much better. Could you tell me a little bit about what your ministry is doing for the northern colleges and universities?

Mr Costante: First of all, I'll comment on your first point. I think it is very true that all the northern universities and colleges have experienced a large increase in applications this year, and I think that's good for them. Several of them were having difficulties with enrolment, and the double cohort is really going to be very positive for them.

We have a long-standing policy of providing recognition to the northern colleges and universities of the increased costs of doing business in the north in terms of distance and smaller campuses—the economies of scale perhaps aren't as great for some of the northern colleges and universities—and we provide special grants. In the last budget there was an additional \$16 million provided to northern and rural colleges and universities in recognition of those costs, which was about a 50% increase, if I'm not mistaken, in terms of our special allocations for them. All indications are that that was well received and is helping them develop new courses and strengthen their institutions so they can weather the storm, that being low population growth in the north, and in some areas an actual decline. Also, many of them are looking at providing service, whether through distance or other means, to some of the smaller communities. There is fairly rapid population growth in some of the remote reserve areas, and through Contact North, which I think is another success story from northern Ontario, there has been a huge increase in the number of participants accessing university and college courses. I think that's working out quite well, and we hope to expand it.

1120

Mr McDonald: In the north, we're always concerned about economic development. Southern Ontario seems to be booming, and it seems we're hurting a little bit in northern Ontario. We think of economic development as smokestacks and people going to work at factories. But in essence, universities and colleges are really a great economic tool in the north. Not only do they provide lots of employment; they bring students to our area who are very welcome in our communities, and create a critical mass for businesses to succeed. I think that's a success story, as you pointed out.

I just want to touch on the Northern Ontario Medical School. I understand it's the first medical school opened in some 30-odd years. We understand that the physician shortage is a problem not just in Ontario or Canada but throughout the world. I believe this school will be a great opportunity for the north to share in some of the expansion in this field. Could you just touch base with us on exactly where that stands at the moment?

Mr Costante: I had the great pleasure several weeks ago of attending the first board meeting of the new Northern Ontario Medical School—that was the kick-off. They have hired quite a well-known, world-renowned educator to be the dean. His name is Roger Strasser. He was hired from Australia.

The school will have two campuses, one in Sudbury, which will start with a class of 32, and one in Thunder Bay, which will start with a class of 24. The expected start-up date is September 2004. This next year, they will have the challenge of going through the licensing procedure that medical schools need to go through, and that will be a big challenge.

There's a lot of work going on now designing curriculum. They had a very successful curriculum development seminar in Sault Ste Marie some time after Christmas; I think 350 people attended. There's a lot of work going on right now in terms of planning and building the school up, working with the local hospitals, working with NOMEK and NOMP, which are the medical associations of northeastern and northwestern Ontario.

I think there's a fair amount of excitement around it. What I've heard from the people in Sudbury—and I haven't seen statistics—is that the announcement of the medical school in Sudbury has itself served as a magnet to bring new physicians to the area. If you challenged me on the numbers, I'm afraid I couldn't give you any, but that is what I've heard.

I think the intention around the medical school is that in the third and fourth year of their studies these students will go out to other areas—not just Sudbury and Thunder Bay, but Timmins, North Bay, Kenora and Sault Ste Marie—and practise there. Even as students, they will help the physician service of northern Ontario. I think that's very positive. As you mentioned earlier, there are studies showing that if somebody studies there, you stand a greater chance of keeping them there, and that's certainly the intention around the Northern Ontario Medical School. I think we've tried a number of other measures, and other provinces have as well, in terms of attracting physicians to the north, and we hope this one will have a greater impact.

Mr McDonald: There's no question that in the north we're able to offer a high quality of life, just with all the resources and fresh air and lakes and forests and trails we have. The theory is that if we train them in the north and they go to school here, and hopefully a lot of northern Ontario students will go through this program—obviously, being from northern Ontario you have that tie to the area and you'd want to stay.

Are there incentives for these students to go into these programs? I can only imagine that to go through to be trained as a doctor could be very expensive.

Mr Costante: I'm afraid I'm going to have to get back to you on that one. I think most of the incentives that we have come through the Ministry of Health. I have to admit I'm likely a little weak on that subject. I'd be

pleased to provide you with information on that, but I just don't have it off the top.

Mr McDonald: How much time do I have, Chair?

The Vice-Chair: You have about two minutes.

Mr McDonald: If they go to this Northern Ontario Medical School, are there incentives for them just to stay in the north? Or can individuals from southern Ontario go to the Northern Ontario Medical School and then just move south again?

Mr Costante: I think the school itself will have to decide on its admissions policy. They are having a debate about how they will treat students from the north and from the south without being discriminatory. But obviously, this is an opportunity for northern students to learn medicine in the north, and I think they want to be sensitive to that.

I think they also want to bring in programs—I don't know that they're necessarily designed as yet—for francophone and aboriginal students as well to access the northern medical school, given that they are important components of the population of the north.

I think it's something that's on the to-do list. I don't know that the programs have been finally designed yet.

Mr McDonald: OK. Thank you very much.

The Vice-Chair: There is another minute.

Mr McDonald: No, that's fine.

The Vice-Chair: We'll move on. Mr Patten?

Mr Patten: Yes. Don't confuse me with Mr Curling.

Deputy, what was the budget of your division? Has it gone up or gone down or stayed the same over the last five years?

Mr Forward: The last five years—hold on.

Mr Costante: Last year it was about \$350 million, but we'll see if we have the numbers for the last five years.

Mr Forward: The budget for 1999-2000 was \$377 million; 2000-01, \$349 million, or \$350 million if you round it; 2001-02, \$384 million; and 2002-03, \$386 million. That's for the training division.

Mr Patten: Is that all provincial money? Are there any other revenues outside of that budget, or is that the provincial allocation?

Mr Forward: There are some other monies in that. I believe that includes the federal contribution to apprenticeship training.

Mr Patten: How much was that?

Mr Forward: It's about \$30 million a year, depending on initial registrations in schools that year.

Mr Patten: So it went up, it went down, it went up a little bit. It hasn't really developed. Beyond 2002, the \$386 million is 2002-03?

Mr Forward: The \$386 million, yes.

Mr Patten: The double cohort, I will share with my friend Mr McDonald, is a heck of an opportunity; it's a big problem and it's a big challenge, and I know the constraints on that. I'm going to ask you a question but I'd like to make a comment first as to the indication of the resources. Obviously, the colleges and universities would want some support on this, but they're not going to want it if they have to carry the full burden on this. It

seems to me there are all kinds of opportunities for space in the community, school space in high schools that may not be utilized in cities and towns and one thing or another.

One thing that I might disagree with Mr McDonald on is that the doubled impact on the northern college shows the desperation of students. My reading is that students are applying three, four and five times, anywhere and everywhere they can possibly get in. I think that is part of the inflation of the numbers. I don't think those numbers truly represent a single student, and I think you'd probably know that better than I would.

1130

Mr Costante: The average through the university application centre this year was about five, and last year it was about four. So each student made an average of five applications.

Mr Patten: So when you factor that in—

Mr Costante: Yes. There is an increase in the number of students, and then each student is applying a little bit more as well. So if you took the total number of distinct applications just at the university level, it's about 500,000, but that really represents about 100,000 students. That's give or take 10,000. If you wanted the exact numbers, we could get them for you.

Mr Patten: I have a couple of questions that are in different sections, but I only have about 10 minutes. So if you don't mind, I'd like to jump around a little bit.

I was pleased to hear about the negotiations with the Ontario Society of Professional Engineers. Two years ago, I can recall having an experience with a young Russian engineer who was desperately trying to find work. He had come from Russia, and he had a wife and two children. He was about 34 years of age. He was a very dignified and very well-spoken young man. He was quite disillusioned. He said his understanding was—and his English was pretty good—that there would be a shortage of jobs for him in Canada. He was told he was overqualified to do it and that he needs a year's experience in Canada before he can be employed at that level. Even though he had received some kind of an accreditation from this particular body that acknowledged this, he still was not able to operate and work as a professional at that level. So what I had to do was phone around to different general contractors and say, "Look, I've got somebody here who has impressive credentials. Will you take a look at this? This person is prepared to work for minimum wage if he has to"—because he needed that one year of experience. He's not working for minimum wage now, but he's not working at the full level. He is working with other engineers. He's just not doing the sign-offs on the project. The general contractor said they were extremely pleased with this guy, that he was a godsend and fantastic, and I'm delighted to see that in that instance. But our system obviously has to work in a better fashion than that. We can't rely on MPPs to do this.

The nature of the negotiations that you have with that body—can you share where you're going with them?

Mr Forward: The Ontario Society of Professional Engineers is a new partner that we're working with. You're absolutely correct: licensing in Ontario requires a year's work experience. Internationally trained engineers can find themselves in that horrible conundrum: no credential, no job; no job, no credential. So we're trying to work with OSPE to bridge that. We're putting in place a program that is about that one year's work experience. It gives them training and an understanding of the Ontario workplace, the credentials assessment system in Ontario and the requirements to enter into practice. Then we work with OSPE, and OSPE tries to find them a work placement. Then they will come back and, at that point, they should be able to take the final examination and be successful. So we are trying to deal with exactly the problem of work placement in the area of engineering.

Mr Patten: That's good news. That's good to hear. I'm very pleased. I think the other end of the spectrum, of course, is that the embassies, high commissions and whatnot need to notify people: "Listen, if you go to Canada, you can't just walk in and function"—maybe there are some areas where they can, but in the areas they can't, "Here's what would be required: you have to take a year of training and work with another profession, whatever it may be. At that point, there is a review process, and you can gain your licensing and accreditation to operate and that kind of thing." So I'm pleased about that, and I think we need to do more in that area.

You had made a point, Deputy, which I personally agree with too, and that's the ESL program. Some of that is tied to federal agreements as well. Is that—

Mr Costante: That's all federal money.

Mr Patten: It's all federal money. Is there a shortage of that money, or is it that the program is not somehow fully available to all those who need it?

Mr Costante: I'm sorry, I don't have the exact numbers here. It's done through a federal program called LINC. Our understanding is that spending in Ontario is not anywhere proportionate to the number of immigrants in Ontario. I apologize, I don't have the exact numbers. If you wanted those, we could get those.

Mr Patten: OK. So what about all the ESL programs in our high schools? Is that all federal as well?

Mr Forward: Yes, there's ESL that's done in Ontario institutions, and the Ministry of Education has a budget for ESL. There's credit ESL and non-credit ESL, and there's the federal LINC program. There has been a lot of conversation in the press about how the federal government wants to address LINC and how it might improve LINC. I'm optimistic there may be something in the federal budget about English and French as a second language and how we're going to improve that in Ontario through more and better federal programs.

Mr Curling: How much more time do we have, Mr Chair?

The Vice-Chair: You have six minutes.

Mr Curling: On the LINC program, not being partisan at all, just directly, didn't the LINC program see a reduction more than an increase in money in that aspect?

I understand that some of the programs were cancelled. Is the federal government giving less money to the LINC program now than it was, say, in the last two years?

Mr Forward: I'm sorry, I don't have at my fingertips the funding trends for LINC. I think the deputy has made the point that in terms of the proportion of funding in Ontario relative to the need, Ontario can make a strong case for more LINC funding. In terms of the priorities of LINC, I think the federal government is signalling that they're interested in looking at more higher-level language training, more workplace language training, so that LINC can be about bringing people into the workforce as well as getting them the basic language capabilities they need to participate in Canadian society. So if that's where LINC is going, I think that's a positive step.

Mr Curling: You may have addressed this before when I wasn't here: the adult literacy program. We know that Ontario has—as a matter of fact, Canada—a serious situation in adult literacy or adult illiteracy, whatever negative or positive direction you want to go. Have we seen more funding in that adult literacy program? I know many other people are delivering it. The YMCA etc and many other groups are doing a wonderful job with the literacy program. We also know that the perception, especially with functional illiteracy—or functional literacy. We have found that it is skewed maybe to French-speaking people and to Canadians. One gets the idea that it may be foreign individuals coming here who are functionally illiterate. Have we seen any change in that? Is there more money in that? I notice that some of the deliveries here weren't up to scratch, and you plan to maybe correct that. Give me a quick overview of what's happening in that area.

Mr Forward: In literacy and basic skills, the budget in the current fiscal year is about \$60 million, and that's to serve, as the deputy said in his opening comments, about 200,000 clients: 400 in intensive language services and 160,000 in training orientation services. That \$60-million budget has been pretty stable for the last few years.

We are trying to get more bang for our buck in literacy. The deputy referred to AlphaRoute, which is an area where we're trying to use distance learning and technology to be able to teach literacy and numeracy on a remote basis. We were piloting that last year. We're rolling that out now across the province in all four literacy streams, and we're going to assess it. We may find that there are large efficiencies in being able to use distance learning technology rather than face-to-face literacy. If it is an effective way of learning, then we'll have achieved large economies.

So we don't want to just look at the budget; I think we want to look at the clients served. Our objective is to increase the quality and quantity of our training as effectively and efficiently as possible.

1140

Mr Curling: I would say that is—

Mr Costante: Sorry. If I can add one point of interest, literacy has been a long-standing problem, I think, in

Canada and in Ontario. The one piece of good news that I don't think has gotten a lot of attention is that the dropout rate in our schools, both in Ontario and in the other provinces, has gone down significantly in the last number of years. I think in the last 10 years it's gone down by almost half here in Ontario. So that's good news for the future, and I think that speaks to the school system doing a better job of dealing with individuals who maybe have had issues around reading and writing. Hopefully this will be a smaller problem in the future. It's never going to go away on us, obviously, but that is one piece of good news that I don't think is well known out there.

Mr Curling: That's a good positive indicator, Deputy. I agree with you that's where the problem was, and the education ministry didn't accept the fact because it would be a criticism on their part to say that people are falling through the cracks. Now that other things are happening, the dropout rate is not as much, although I'll question it when it comes down to the fact that there are still individuals within the system—minorities were dropping out at an even larger rate. So while we may have a good overall statistical figure showing progress, we're seeing a regressive aspect in other areas. I hope the ministry will start addressing those kinds of issues of minorities who are not completing high school, who are dropping out at a great cost to our society later on.

I think at one stage you quoted about \$66 million for basic literacy and at one stage you talked about 50-million-odd dollars. I didn't understand the discrepancy there. On the pie it was talking about \$66 million, but you expressed something in the \$50-million area.

Mr Costante: I think it was the Ontario summer jobs program which was \$53 million. Sorry; I was going quite rapidly. That was the comment just before the literacy program. It got garbled in my poor communications.

Mr Curling: OK.

The Vice-Chair: Thank you. We now will move on.

Ms Martel: The auditor took a look at some consulting contracts that the ministry had been involved in with transfer payment agencies. I want to ask some questions about the contract involving literacy and basic skills.

The auditor reported, "As at March 31, 2002, the total costs billed" for that project "were ... \$3.6 million, but the system was not yet complete."

I noted that in August 2000, when the contractor was selected, the bid price at that time was \$700,000. Three months later, the contractor put in a new bid of \$3.8 million. So we know it's at least \$3.6 million, as of March 31, and not done, although it may be done by now.

One of the reasons for the increased costs, the auditor notes, was that the request for proposal went out and said very specifically, and I'm quoting, "... 'the user requirements and preliminary data designs are still in progress. No decision has been made on what data identified will actually form part of the LBS [Literacy and Basic Skills] information management system.'"

Deputy, how is it that the ministry would authorize a transfer payment agency to go to tender with a project

when you didn't even know what that project was going to involve?

Mr Costante: That's not the best way to go to tender. I think we've agreed with the auditor that that is a very poor approach, that in going to tender we should have all of the aspects of the project scoped out beforehand. This was a project where we wanted to work with the literacy community on the design. I don't know what I can say other than that we shouldn't have done it that way. It was wrong, and we won't do it that way again.

Ms Martel: What was the pressing issue or the burning issue in the ministry where you would give conscious approval to go to tender for a project where the ministry itself didn't have a clear idea of what it was to deliver? What was the burning issue? What was pressing you to do that?

Mr Costante: I don't know what the exact burning issue was. Obviously, we had a desire to have a system in place that would allow us to better manage and do the things that the auditor rightly recommended we do in terms of monitoring performance and knowing who was delivering good service and who wasn't, and what sort of outcomes we were getting. So that was the burning desire, to actually have a tool that would allow us to do that. The approach taken was to try to work that out as we were designing the system. It's not a proper or good approach.

Ms Martel: When the auditor says, "The system development consultant was allowed to add 35% to its original bid to allow for unanticipated changes even before the project had begun," I'm assuming this was one of the consequences of going out with an RFP that wasn't fully structured, that you had no choice but to allow whoever was developing the system to do that because he or she couldn't anticipate their costs because the RFP wasn't well structured. Is that how we ended up there?

Mr Costante: That would be my assumption.

Ms Martel: Do you have a sense of how much more this probably cost taxpayers as a result?

Mr Costante: Not exactly, no. Our sense, and you may not believe me, is that we actually got a fairly good system for what we paid and that we didn't overpay. I have no way of proving that. Again, we'd have to hire another consultant to come in and look as to whether we overpaid or not. I don't particularly want to do that, but our own—

Ms Martel: Deputy, last time you and I tangled, it was over Andersen and Accenture—

Mr Costante: I think it was.

Ms Martel: —after you had just hired an independent consultant to come in and look at that mess, so here we are again.

Mr Costante: Our sense is that we did get a good system, and we recognize it was done in not the best way.

Ms Martel: Is this over yet? Is this project complete?

Mr Forward: Well, the literacy and basic skills information system is up and running. We have 200 deliverers in 300 sites. Before we had that information system, we had semi-annual reports from those groups. Now we have

monthly reports from those groups. It allows us to put in place a much better performance management system. We are going to be tying performance to funding, so we will have the kinds of performance measures that we have now in the Job Connect program, which I think has been recognized as a leading concept in programming. We continue to do systems development on it for better and more thorough reports, but we do have the system up and running now.

Ms Martel: And how much has it cost to this point? We had a March 31, 2002, figure of \$3.6 million.

Mr Forward: I have the same figure, and there are contracts in the current year to do further work on the development of the system. I can get back to you with the value of those contracts.

Ms Martel: Yes, because I'm assuming there are more bills that have come in since March 31, 2002.

Mr Forward: Yes, and because there is a help system that supports it, the system will continue to need to be financed.

Ms Martel: OK, but was the help system part of the responsibility of the consultant or the delivery agents? Is there a transfer of knowledge taking place here, or do you still have consultants in that are transferring knowledge?

Mr Forward: We continue to work with the literacy community to help us develop it, and the help system is supplied by a company. So that's part of the system, and we continue to run the system that way. If you're asking, could some of the support system be brought in-house—

Ms Martel: Is the help system being operated by the consultant?

Mr Forward: Yes, it is. By a firm, yes.

Ms Martel: Is that at some point going to be operated by ministry staff or by the transfer payment agency?

Mr Forward: Right now we have a current arrangement. We're happy with that arrangement at the moment.

Ms Martel: An arrangement with the consultant to continue to provide service.

Mr Forward: With an IT firm, yes.

Ms Martel: All right. Have you done any work to analyze what the costs might be if you were to bring that in-house, so to speak?

Mr Forward: No, we haven't.

Ms Martel: Do you intend to do that?

Mr Forward: Well, we have an existing contract, and I think the contract is effective. If you are asking, are there economies from bringing it in-house—

Ms Martel: Yes, that's my question. Do you know that, or do you intend to look at that?

Mr Forward: We could look at that. I mean—

Ms Martel: Let me tell you why. Just yesterday we went through one long afternoon dealing with consultant fees in a number of ministries where the auditor clearly identified that the work that was being done by consultants could have been done in-house, and that part of the problem was that we were paying fees two and three times what we would pay comparable ministry staff to do the work.

1150

I appreciate that you had a transfer payment agency do this work for you. What I'm trying to get at is, are there economies that can be realized if the consultant is taken out of the picture and the services delivered by that consultant actually go in-house? "In-house" might mean a transfer payment agency. I'll admit I'm not completely clear on the structure here, but that's what I'm trying to get at, because with the contracts we reviewed yesterday, we were paying more money. We were not getting value for money by having the consultants continue in these kinds of arrangements.

Mr Costante: I'll answer generally, and Bill is getting more information. My understanding is that the helpline service that we have now was tendered. We got the best deal through a competitive process. I think our requirement, once that contract ends, is that the onus would be on us to examine whether we could do it cheaper within government or externally. So I think when it comes to an end, if you're asking whether we would look at whether it's cheaper to do it inside, the answer is yes.

Ms Martel: When does that contract come to an end?

Mr Forward: Next year.

Ms Martel: In 2004?

Mr Forward: Yes.

Ms Martel: Is it the start or the end of the fiscal year?

Mr Forward: I imagine it runs to the end of 2003-04.

Ms Martel: Of the calendar year?

Mr Forward: Of the fiscal year.

Mr Costante: I could be mistaken here, but I think that's standard practice, or should be standard practice, when you use a consultant, to give consideration to whether you can do it cheaper internally.

Ms Martel: Part of my concern would still be—you will make some decisions at that time. You may end up in a dilemma where there has not been a transfer of knowledge, so you would not have people in place to assume some of that responsibility, and the contract would then have to be extended. So my assumption is that you have to be thinking about that and also seeing what transfer of knowledge is taking place as this unfolds up to the end of the contract.

Mr Costante: Helpline services tend to be fairly generic. I would assume we have helpline services inside and outside of government. The ministry itself has a training hotline that's run by civil servants. There would have to be some transfer. When we're at this point, where the system is already in place, you're really providing technical support to users, and those users are not ministry users, for the most part, but transfer payment agency users. It gets quite complicated with that transfer payment partner out there as to who—

Ms Martel: If they're generic, I'm a little bit concerned about your having gone through a process and then to continue to have it as what I would define to be outside. At the time you made the decision to enter into a contract to have a competitive process etc, was the problem that the transfer payment agency in question did

not have the skills themselves to assume the responsibilities of the hotline?

Mr Costante: I'm sorry, I'm not familiar with the exact details of the hotline, but in terms of going to an outside consultant, the issue at that time was resources devoted to the Y2K issue. The government at the time was having trouble getting IT resources inside. If we wanted to get it done, that was really the only avenue available. I agree with you that when we look at the hotline or other services we're purchasing outside, we should consider an inside option. We should always try to get the best deal for the taxpayer.

Ms Martel: I understand that there's money, then, going out for the contract for the helpline. Can you just clarify for me, is the system essentially complete in terms of any—I don't want to use the word "construction," but are your developmental costs now complete?

Mr Forward: As I said earlier, the system is up and running. We continue to develop it. There was a development contract this year to further develop the reporting structure so that we have more data on the agencies to better monitor performance, to ensure value for money and to improve client service.

Mr Costante: And we tendered that, just for the record. I think with many systems there is an issue of continued improvement, because if you leave a system static for too long, the world goes by it. So with all our systems you're going to have an ongoing component of improvement. Is it substantially done? I'd say the base is there and we will properly tender future—

Ms Martel: The next pieces of it.

Mr Costante: Yes.

Ms Martel: Sorry, Deputy, I'm just thinking about Andersen—and I'm trying to not think about Andersen—when you talk about those things.

Let me ask you about the other project, then, which was the Job Connect project. It's not clear to me whether, as a result of the process that occurred, you had additional costs that may not have been incurred had the ministry essentially had a more hands-on control of it. I'm looking at page 311 of the auditor's report where he outlines some of the payments that have been made. For example, in 1998-99 and 2001-02, the for-profit agency paid the company a total of \$4.4 million in transfer payments, and there's a breakdown. But the next line says, "In addition to the original development project, the ministry's annual funding for this project has included amounts for functional enhancements"—I'm particularly interested in what that means—"and maintenance of the system as well as delivery-agency training on the use of the system."

The functional enhancements, my first question: do you consider that to be routine enhancements to the system or is the problem here that you might be paying for things that might not have occurred or might have been in place had there been greater control over the project by ministry staff?

Ms Patti Redmond: I'm Patti Redmond. I'm the director of the workplace preparation branch, which has

responsibility for the literacy and basic skills and the Job Connect programs.

I wanted to clarify a couple of things. The Job Connect system is certainly much further along in its development with respect to work, but we did have to have some additional ability to produce reports and other kinds of activities in the development of that system.

As the deputy acknowledged earlier, in setting out the overall requirements for both systems, we didn't do as good a job as we should have at the beginning in terms of scoping out fully what the work was going to involve. As a result we've made some adjustments along the way as we further developed those requirements.

The Vice-Chair: If I might, just to interject at this point, this segment is completed but we are at the noon hour. It's my understanding that the government and the Liberal caucus have no more questions, so if you might want to—

Mr Hastings: I do.

The Vice-Chair: You do? OK. Then this segment is completed. The question now is whether we want to break for lunch and come back after or continue, but if we're nearing the end, I would suggest that we might just continue for the next few minutes. How's that?

Hon Mr Galt: Chair, I would encourage continuing till we wind up. If there's a question or two from either side, take those questions, and then wind up.

The Vice-Chair: Sure, yes.

Mr Hastings: Gentlemen, I'd like to go back and revisit the issue of immigration and newcomers and the whole thing in terms of how it impacts the Ontario economy and how you're trying to get the word out about new apprenticeship programs and what the shortages are. Let me ask you from the outset: in your dealings with Citizenship and Immigration—I presume you have some.

Mr Costante: Some.

Mr Hastings: OK. In terms of those "some," can you elaborate? I was trying to recollect. In the last year and a half I've had at least 60 newcomers come to my constituency office because Etobicoke North is a riding that has at least 75 different diverse community groups. Because I've taken an interest, when they come regarding their immigration situation, I've come to ask them, when they came to Canada, what kind of information they got from the immigration counsellor before they landed here and what was their understanding of the lay of the land in terms of how easy or difficult it would be to get a job in their given trade or profession. My recall is that most of them didn't get very much information from the immigration counsellors. In other words, they still have the old message out that Canada's roads are paved with gold and you shouldn't have too much of a problem. But it's come to be pretty evident across the country, if not in Ontario, that it's very, very difficult to get jobs, especially in the professions.

1200

Could you tell us how you are communicating with the immigration counsellors so that they get a more realistic assessment of what the job shortages are in this

province, since we're getting probably 65% or 70% of the newcomers to the country? How good a job are we doing in trying to help those immigration counsellors, and has the citizenship and immigration ministry been in discussion with you folks regarding how they could upgrade that information from the 1950s? That's sort of where I think they're at—some of them, anyway.

Mr Costante: First of all, the primary dealings between the province and the federal government around immigration take place through the provincial Ministry of Citizenship, so we play a support role to them on immigration matters. This has been an issue that has been raised with them previously.

The federal government, in its own consultations around the skills agenda, I think has heard fairly repeatedly of the need to equip immigration counsellors and others in the embassies who are dealing with people who want to come to Canada with better information. We have information sheets on what it takes to qualify in Ontario, which we share with them. Again, it's hard for us to judge how well that is penetrating the foreign offices. The federal government itself is talking about greater use of a Web site or a portal to provide Ontario's information, as well as information from other provinces, so that immigrants thinking about coming to Canada can get that information.

I would agree with you that many of them continue to get a very rose-coloured view of the employment situation and then come here and are disappointed and struggle to get that done. That was, I think, one of the points I made earlier. I think the federal government needs to take a lead. Obviously the provinces have a role of supporting them in getting that information to the immigrant.

Mr Hastings: We have this Web site that talks about what the requirements for the trades and the professions are. Do you know whether there are any ongoing discussions as to how Ottawa could connect some of its embassies up with this Web site? I presume it's not connected that way.

Mr Costante: Sorry. I don't know the details of it. I know they are talking about one Web site that would link to the Ontario Web site and all the other Web sites and try to synthesize that information and provide it in a uniform fashion across the world, wherever immigrants are thinking of coming to this country.

Mr Hastings: As you can see, some of the members here—I think most of us—are struggling in this whole murky area as to what progress has been made regarding both the trades and the professions. A lot of the professions are through the Regulated Health Professions Act. The engineers have their own professional society. The OMA is independent, the accountants—a whole range of these groups. Has your ministry ever contemplated trying to develop some sort of set of indicators for each profession and trade as to where they are in terms of accommodating and trying to get through the barriers regarding getting full credentials, I guess, in their respective trade or profession? My understanding is that

the accountancy profession has made some major strides in this area through the international equivalency board on professional accounting, and the engineers as well, whereas the medical society seems to be somewhat behind in that area.

Do we have any kind of readily made set of indicators, whether it be for a labourer or carpenter right through to the professions? The indicators will be increasingly complex, obviously, because to be a doctor, to be trained as a cardiologist, is going to take you probably a decade-plus, whereas some of the trades may be up to about five years. Do we have what those indicators would be so that when one looked at a chart, one could see on a page that, for a given profession, if we're going to become increasingly reliant on newcomers to fill some of the job shortages, we would as legislators have a better understanding of where we've made progress and where we haven't.

Mr Forward: Let me try to tackle that. I think you're right: more information and more timely information to prospective immigrants and to immigrants that are here is very valuable. We're trying to address that in a couple of areas. One is what we call information sheets. You can go on to our ministry Web site and you can get information sheets on various professions and trades that explain the regulatory environment and the steps you need to take and the qualifications you need to have to enter into practice or enter into a trade in Ontario. We recently rolled out a new information sheet on professional engineering. We have a number of these sheets. They are on our Web site and we try and add to them all the time. So one is the provision of information in a flexible, easily accessed way, nationally and internationally. We're working on that. We continue to move forward on that initiative.

Second is we've recently announced that we are partnering with a group of professional regulators and funding a partnership where they're going to put up a Web site, they're going to address a set of principles on how you address this issue and they're going to identify what the best practices are to be able to move the internationally trained more quickly into the economy. So we've also partnered with a group of regulators who are going to reach out to other regulators about best practices and about information sharing in this area. So we have a number of information initiatives, and these are two of them.

Mr Hastings: What are some of those groups you're dealing with? Is accountancy one, or engineering?

Ms Redmond: Nurses, teachers.

Mr Forward: So nurses, teachers—is OSPE part of that?

Ms Redmond: OSPE is not a regulator.

Mr Forward: OK, it's not a regulator, no. But OSPE is the professional association.

We can get you the list of partners we're working with on this initiative and I'd be happy to get back to you on the full list.

Mr Hastings: I have the impression, mistaken though it may be, that we are probably putting so much emphasis into this area because we believe that the skill shortages in whatever trade or profession will probably end up being filled to a great extent by newcomers rather than by Canadians already here, given our history of how we have relied on—if you take West Germany from the 1950s, 1960s and 1970s, Canada relied to a great extent for its millwrights on the European countries and we still have that mindset. Or do you think we're giving equal emphasis to both newcomers and trying to help in the area of skill shortages there, and also dealing with the issue of our young people in high schools and elementary schools about what the glamour and glitz could be about a given trade?

Mr Forward: I think the renewal of the Ontario labour force is an important public policy issue, and we see that from the census data published yesterday. The echo boom arising from the baby boom is a huge opportunity to renew Ontario's labour force. Those people are coming into our post-secondary and training institutions now, and they'll be moving into the labour force soon. By the end of this decade, 2011, the first baby boomers are going to be reaching retirement age, and the early leavers are starting to go now.

1210

So we have to look to our own domestic institutions, post-secondary training and education, as the foundation for renewing the labour force in Ontario. But the census seems to be indicating that the net growth in the labour force is going to largely come from abroad. Right now, according to the census figures I saw yesterday, 70% of the current growth in the labour force is coming from abroad, and that percentage is going to move up from 70% over time. So it's not as simple as to say, "Canadians are going to be enough to meet the labour market demand," and it's not enough to say that all our needs are going to be met from abroad. I think it's a combination. But the demographic trends are pointing to the increasing importance of being able to adapt and integrate the internationally trained into Ontario.

Mr Hastings: So the feds are going to have to get up to speed much faster than they have been in this whole area, then, if we're going to have people coming here and getting into a trade or profession that reflects their originating country's background—than is occurring now?

Mr Forward: Agreed.

Mr Hastings: OK. If that is the case, I want to go back to the whole area of the labour market participation program. It was my understanding as well that one of the reasons Ottawa wouldn't sign an agreement with us deals with our not accepting all their employees from the old departments that dealt with labour market participation. If that's true, was that a requirement of the other provinces, that they had to accept every employee before you could get the money?

Mr Forward: Yes. There are two different types of labour market development agreements. One devolves

the federal programming and staff to the provinces that choose to have them devolved. Alberta, Quebec, Manitoba and New Brunswick, I believe, wanted full devolution agreements. There are other agreements that don't involve devolution, where there's just better joint planning.

Ontario wanted a full devolution agreement. The federal government was asking us to take 1,007 federal employees into the Ontario public service and give them three-year job guarantees. I think the deputy pointed out that the timing of such an offer was difficult. Also, there was the issue of the share of funding. But as of 2001, Minister Cunningham signalled to her federal colleague that in spite of these issues we thought the issue of improving, integrating and removing the overlapping duplication in Ontario's training system was big enough that we were willing to swallow those two issues and move forward. The response back was not positive.

Mr Hastings: Then, if you use a rounded figure of about half a billion dollars that should be coming to us, which we haven't been getting for X number of years now—and shame on the feds on this, to use a jurisdiction—how are the feds using that half a billion dollars, in terms of their own agenda? You mentioned earlier that they had started some labour participation in their own skills shortage programs through Skills Canada etc.

Mr Forward: Right. The money is closer to \$600 million. The money is spent by HRDC in Ontario for federal priorities. Two things can be said about that: one, the federal priorities tend to be more and more in the area of promotion and less and less in the area of in-school training; secondly, two years ago, the federal government didn't spend all of the budget. It didn't come close to spending all of the budget, whereas in those provinces that had labour market development agreements, especially devolution agreements, the budget was fully spent. So both the quantity of spending and the areas of focus of spending are areas where we would like to see improvements, and we think a labour market development agreement would help us achieve those improvements.

Mr Hastings: My only—

The Vice-Chair: This segment has gone a minute or so over, but we can continue.

Ms Martel: Ms Redmond, would you mind coming back for just a few more questions?

With respect to the Job Connect information system, who is operating that system now?

Ms Redmond: The system is operated by us in partnership with the Ontario Association of Youth Employment Centres. That is the not-for-profit, community-based organization we work in partnership with. They have IT consultants whom they have retained to do the technical aspects of it, including some the help desk support that was mentioned earlier in reference to the literacy and basic skills system.

Ms Martel: Is there a contract with the systems development firm to manage the help desk and other IT components?

Ms Redmond: The Ontario Association of Youth Employment Centres—OAYEC, if I can use the acronym—does have a contract with the IT consultants who are providing the help desk support and other system development activity, and the ministry has the contract with OAYEC.

Ms Martel: Has the same organization—the same consultant—been in from the beginning on this project?

Ms Redmond: There have actually been a variety of different IT consultants involved in the development of the Job Connect system. The main project manager—online services IT consultant—has been the same, but there have been a variety of others.

Ms Martel: With respect to the literacy and basic skills help line service, the deputy said that was tendered through a competitive process. Did the same thing happen with the Job Connect project?

Ms Redmond: We initially tendered the activity, but we subsequently added on to the contracts beyond the original tender amount.

Ms Martel: When did that occur?

Ms Redmond: It all began back in 1998.

Ms Martel: I must say I'm a bit confused, because I thought one of the objections the auditor raised was that there wasn't a competitive process. I see that the first payment started in 1998-99. Maybe the problem is that a portion of the project was tendered and a portion was not. Is that what happened?

Ms Redmond: That is correct, and we do agree with the auditor that although we tendered the initial portion—I should be clear that OAYEC tendered a small portion—those contracts were added on to without subsequent tender. That's where we clearly acknowledge that process was not ideal.

Ms Martel: Are you in a new tender right now, in terms of your agreement, or one that has carried over from the problem the auditor identified?

Ms Redmond: With respect to the Job Connect system, subsequent to the audit period we did tender for some of the further system development work, and we will have to do a tender with respect to the help desk support, which hasn't happened yet.

Ms Martel: Because that agreement is still ongoing.

Ms Redmond: That agreement is still ongoing.

Ms Martel: When does that end?

Ms Redmond: I believe that agreement ends next year as well.

Ms Martel: The same point I raised for the previous project: I assume you're going to look at whether you have more in-house support, so that we don't continue to engage consultants for IT work and support.

Ms Redmond: Yes. I think we committed to looking at that for both.

Ms Martel: Thank you.

The Vice-Chair: Any further questions from the government caucus?

Mr Hastings: The one question I'd like to pursue with you again, gentlemen, is, do you foresee in the next two to three years any kind of publication or report that

would give us a better handle on the progress the various groups are making in terms of the Regulated Health Professions Act or the other independent professional societies we have in Ontario? If you say the trend is, and it's probably fairly obvious, that we're going to have to rely on newcomers to the country to fill a large number of these job shortages over the next decade, do you not think we need some way of measuring each specific trade and profession as to where we will be or are now and where we can look back in five to eight years and say, "Yes, we've been making progress in these areas, and here's why"? Right now there isn't anything, except on an individual basis, that would tell you that the accountants are way ahead of the engineers and the engineers are ahead of the OMA—if that's true, because I'm only going by perception. Wouldn't it make it a better job for all of us if we had that kind of data built up?

1220

Mr Forward: Agreed. I think transparency is important. Information sharing is important. Let me get you some information on the work we're doing with our regulators project, because I think that is the kind of project you'd be very interested in in this regard. We can get you the names of all the partners and we can get you some of the deliverables that we're going to be getting from that. We do have our current fact sheets. It sounds like what you're looking for is sort of an annual report on the status of success in adapting and integrating the internationally trained into Ontario's economy. We don't have that at the moment.

Mr Hastings: It seems to me that if we're going to get Citizenship and Immigration Canada to do a better job of targeting, under their new act, the types of people we need—and the act is supposedly to create an environment such that more skilled people coming into this country, before they arrive on our shores, already have, we say, certain levels of education and certain standards that they have established in their respective trades or professions. Then we can better manage the barriers we have in place, whether they're regulatory, financial or human, in terms of better utilizing these people's skills in the workplace, which we're not doing now.

It seems to me that the best way of doing that is to create an inventory or a registry that's readily accessible, that people can look at and say, "Yes, we're making real progress in these specific trades, but we're not doing so well in other areas." Because if skills shortages is a big public policy issue, as it is, then we need more accurate, up-to-date information in terms of the success, the barriers and what have you, if we're going to get a better-skilled newcomer to the country, rather than the sort of hit-and-miss that seems to be going on right now. To me, that's central for a competitive economy.

Ottawa needs to get with the script on that. They've made some progress in terms of that bill, and Coderre, I believe, has brought the citizenship ministers into consultation. We've got some access to a designated agreement

if industry wants to get such a thing going with Citizenship and Immigration Canada.

So my request would be that we see if we can make some better progress in that area in terms of the money we're spending. Then I'd have fewer frustrated folks coming through my door—and not just in my constituency, but I think most of the members' in this assembly, because I see so many people who are completely ticked off and very frustrated, whether it's with a regulatory authority, the province, the feds, the municipalities, the school boards or the universities. We don't have that kind of stuff. Maybe that's something we should be developing much more in terms of the planning going on, otherwise we're going to continue this hit-and-miss approach for the next 20 or 30 years. I don't think that's helping the people who are coming to this country.

Mr Forward: I wouldn't disagree. I think Ontario is a leader in terms of its work in this area, in working with professions, in sharing information products and in building bridges. I think the federal government could do more. I'd like to see the federal government look at the idea of mandatory overseas academic credential assessment so that you get your security check, you get your health check and you get your credential assessment; and you get your assessment overseas, so when you arrive here, you know you have a resumé that speaks to employers immediately, and you have the information about the steps you need to take. You could even take some of those steps before you arrive on our shores about how you begin to get your credentials assessed and how you get access to practise or to your trade.

So I think we can do better. I think we're working as hard as we can. We'd like to see some improvements from other orders of government. I agree it's an increasingly important issue.

Mr Hastings: OK. Thank you very much, sir.

The Vice-Chair: Mr Patten?

Mr Patten: Yes. You had talked earlier about increasing spots in the colleges in particular in the areas of special training, and one of the areas you mentioned was the whole medical field. We have shortages of nurses, and we have shortages of doctors. Now, why do we have shortages of doctors, generally speaking, as a profession?

Mr Costante: I'm assuming the population growth has required more, doctors retiring, doctors going out of province. I can tell you what we have done. We have increased the number of spots in the existing five medical programs in Ontario, and the Ministry of Health has been working on a similar type of program that we have been talking about for doctors in order to allow foreign-trained doctors to get their credentials earlier as well as the—

Mr Patten: This is foreign-trained, but this was after the provincial government cut back spaces in medical schools; is that not correct?

Mr Costante: That's correct.

Mr Patten: OK. So now we're trying to play catch-up in order to contain costs and one thing and another. I know it's not your area directly, but the same thing

happened with nurses. They cut back a lot of nurses, so a lot of nurses left. Now, there are still a lot of nurses who phone my office or whom I bump into who want to work and are skilled and ready to work. They're Canadian and they're not foreign-trained. They were trained here in Ontario. They still can't find spots because of the funding arrangements between the government and the hospitals. There's the discrepancy between nurses working in home care or in community care, who don't get paid very much at all because it's privatized and they just milk whatever they can from the nurses. They don't want to work at those rates in health care, so we have a problem there too.

So there are a lot of things we can manage that I know are not in your control but are related to general practices and relationships with the funding arrangements and standards in a regular city that exacerbate the situation. So while the trend does suggest that more and more of our population growth will be related to immigration, and therefore obviously our professions and labour force would be severely impacted, and ideally we will have an agreement with the federal government that would be meaningful and worthwhile for us—I'm going to check into some of the rationale and where the problem may lie etc—I just wanted to point out that it's a double-edged sword, that we have some policies that stand in the way and are barriers to not only foreign-trained professionals but professionals who were trained or are not able to be trained because of cutbacks in certain schools or professional areas.

Mr Costante: I think that's a very fair comment. Our job is primarily to deal with issues of supply. Wages are an issue, working conditions, shift work; all of those things I think impact on the desirability of a particular profession and alternatives. I think it's acknowledged that Ontario and Canada have very well-trained people here. A lot of well-trained people have been picked off by American companies etc, although we're seeing some success in bringing them back.

The Vice-Chair: Any further questions?

Mr Costante: Sorry, Mr Chair. I'm afraid I may have misled the committee earlier. I got confused between the LBS system and the Job Connect system. I think I'd indicated that we had already re-tendered the helpline on LBS. That's not the case. We're about to go to tender on that. I apologize for misleading the committee. It's just that the two things are very similar and I got confused.

The Vice-Chair: Deputy Minister, we thank you and your colleagues for attending the committee this morning and helping us better understand that section of the auditor's report that we're reviewing. Thank you.

Is there any further business? If not, I just remind the committee members that tomorrow morning at 9:30 am we will be in closed session to consider the 2002 annual report of the Provincial Auditor, with consideration of section 4.04, institutional services and young offender operations. We'll have an open session at 10. Thank you. We'll see you then.

The committee adjourned at 1231.

CONTENTS

Wednesday 12 February 2003

2002 Annual Report, Provincial Auditor: Section 3.11, training division	P-115
Ministry of Training, Colleges and Universities	P-115
Mr Kevin Costante, deputy minister,	
Mr William Forward, assistant deputy minister, training division	
Ms Patti Redmond, director, workplace preparation branch	

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